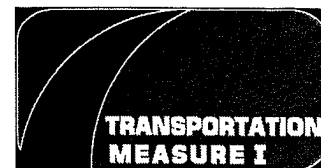




**San Bernardino Associated Governments**  
1170 W. 3<sup>rd</sup> Street, 2<sup>nd</sup> Floor, San Bernardino, CA 92410  
Phone: (909) 884-8276 Fax: (909) 885-4407  
Web: [www.sanbag.ca.gov](http://www.sanbag.ca.gov)



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•San Bernardino County Transportation Commission •San Bernardino County Transportation Authority  
•San Bernardino County Congestion Management Agency •Service Authority for Freeway Emergencies

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## AGENDA

### Administrative Committee Meeting

**August 13, 2008**  
**9:00 a.m.**

**Location**

SANBAG  
*Super Chief Conference Room*  
1170 W. 3<sup>rd</sup> Street, 2<sup>nd</sup> Floor  
San Bernardino, CA

### *Administrative Committee Membership*

**Chair – SANBAG Vice President**

Mayor Paul Eaton  
City of Montclair

**SANBAG President**

Supervisor Gary Ovitt  
County of San Bernardino

**SANBAG Past President**

Mayor Lawrence Dale  
City of Barstow

**Mt./Desert Representatives**

Mayor Rick Roelle  
Town of Apple Valley

Mayor Mike Leonard  
City of Hesperia

Supervisor Brad Mitzelfelt  
County of San Bernardino

**East Valley Representatives**

Council Member Bea Cortes  
City of Grand Terrace

Mayor Patrick Morris  
City of San Bernardino

Supervisor Josie Gonzales  
County of San Bernardino

**West Valley Representatives**

Council Member Gwenn Norton-Perry  
City of Chino Hills

Mayor Dennis Yates  
City of Chino

Supervisor Paul Biane  
County of San Bernardino

*San Bernardino Associated Governments (SANBAG) is a council of governments formed in 1973 by joint powers agreement of the cities and the County of San Bernardino. SANBAG is governed by a Board of Directors consisting of a mayor or designated council member from each of the twenty-four cities in San Bernardino County and the five members of the San Bernardino County Board of Supervisors.*

*In addition to SANBAG, the composition of the SANBAG Board of Directors also serves as the governing board for several separate legal entities listed below:*

***The San Bernardino County Transportation Commission***, which is responsible for short and long range transportation planning within San Bernardino County, including coordination and approval of all public mass transit service, approval of all capital development projects for public transit and highway projects, and determination of staging and scheduling of construction relative to all transportation improvement projects in the Transportation Improvement Program.

***The San Bernardino County Transportation Authority***, which is responsible for administration of the voter-approved half-cent transportation transactions and use tax levied in the County of San Bernardino.

***The Service Authority for Freeway Emergencies***, which is responsible for the administration and operation of a motorist aid system of call boxes on State freeways and highways within San Bernardino County.

***The Congestion Management Agency***, which analyzes the performance level of the regional transportation system in a manner which ensures consideration of the impacts from new development and promotes air quality through implementation of strategies in the adopted air quality plans.

***As a Subregional Planning Agency***, SANBAG represents the San Bernardino County subregion and assists the Southern California Association of Governments in carrying out its functions as the metropolitan planning organization. SANBAG performs studies and develops consensus relative to regional growth forecasts, regional transportation plans, and mobile source components of the air quality plans.

*Items which appear on the monthly Board of Directors agenda are subjects of one or more of the listed legal authorities. For ease of understanding and timeliness, the agenda items for all of these entities are consolidated on one agenda. Documents contained in the agenda package are clearly marked with the appropriate legal entity.*

**San Bernardino Associated Governments  
County Transportation Commission  
County Transportation Authority  
Service Authority for Freeway Emergencies  
County Congestion Management Agency**

**AGENDA**

**Administrative Committee Meeting**

**August 13, 2008  
9:00 a.m.**

**Location:** SANBAG, Super Chief Conference Room, 1170 W. 3<sup>rd</sup> Street, 2<sup>nd</sup> Floor,  
San Bernardino

CALL TO ORDER 9:00 a.m..  
(Meeting Chaired by Paul Eaton)

- I. Attendance
- II. Announcements
- III. Agenda Notices/Modifications – Anna Aldana

**Notes/Actions**

- 1. Possible Conflict of Interest Issues for the Administrative Committee Meeting August 13, 2008. Pg. 8**

Note agenda item contractors, subcontractors and agents which may require member abstentions due to conflict of interest and financial interests. Board Member abstentions shall be stated under this item for recordation on the appropriate item.

**Consent Calendar**

Consent Calendar items shall be adopted by a single vote unless removed by member request.

**Administrative Matters**

- 2. Attendance Register Pg. 9**

A quorum shall consist of a majority of the membership of each SANBAG Policy Committee, except that all County Representatives shall be counted as one for the purpose of establishing a quorum.

- 3. Procurement Report for July 2008 Pg. 11**

Receive Monthly Procurement Report. William Stawarski

## **Discussion Items**

### **Administrative Matters**

**4. Consulting Services for the Preparation of the Indirect Cost Allocation Plan Pg. 14**

Approve Sole Source Purchase Order P09024 with Millennium Consulting, LLC for consulting services to prepare San Bernardino Associated Governments Indirect Cost Allocation Plan in an amount not to exceed \$41,000 as identified in the Financial Impact Section.  
**William Stawarski**

**5. Resolution to Establish SANBAG Employees Authorized to Transact Business Pg. 16**

Approve SANBAG Resolution No. 09-003 Authorizing Investment of Monies in the Local Agency Investment Fund (LAIF). **William Stawarski**

**6. Appropriations Limitation for Fiscal Years 2007/2008 and 2008/2009 Pg. 19**

Adopt Resolution 09-004 to establish appropriations limit at \$827,595,287 for Fiscal Year 2007/2008 and establish appropriations limit at \$875,612,366 for Fiscal Year 2008/2009. **William Stawarski**

**7. Financial Management Software System**

**7a. Report and Fiscal Year (FY) 2008/2009 Budget Amendment for the SANBAG Financial Management Software System (FMSS) Pg. 22**

1. Receive report on the development and status of the FMSS implementation; and

2. Approve a FY 2008/2009 Budget Amendment in the amount of \$314,030, for tasks associated with the implementation of the FMSS, by increasing Task Number IAM09 by \$254,030 and Task Number ISF09 by \$60,000, as outlined in the Financial Impact Section below. **Michelle Kirkhoff**

**Discussion Items Continued****Administrative Matters (Cont.)****7b. Contract for a Financial Management Software System (FMSS) Pg. 25**

Approve Contract No. 08-145 with Tyler Technologies, Inc., in the amount of \$462,135, for the purchase and implementation of a FMSS, as outlined in the Financial Impact Section below.

**Michelle Kirkhoff**

**7c. Memorandum of Understanding (MOU) with the County of San Bernardino for project management services to assist with the Implementation of a Financial Management Software System (FMSS) Pg. 50**

Approve MOU No. C09-054 with the County of San Bernardino, to provide project management support for the development and implementation of the SANBAG FMSS, in an amount not-to-exceed \$257,400 for an 20 month period, as outlined in Financial Impact Section below. **Michelle Kirkhoff**

**8. Chief Programming Position Reclassification Pg. 59**

Approve reclassification of the Chief of Programming position to Ranges 28-32. **Deborah Robinson Barmack**

**Program Support/Council of Govts.****9. Southern California Association of Governments Regional Council Membership Pg. 61**

Direct staff to notify the Southern California Association of Governments (SCAG) that SANBAG will discontinue its seat on the SCAG Regional Council. **Deborah Barmack**

**10. California Strategies Contract Extension for State Advocacy Services Pg. 63**

Approve Amendment #2 to contract No. 03-007-02, for a one-year extension, with California Strategies for State Advocacy Services in an amount not to exceed \$55,500. **Jennifer Franco**

**Discussion Items Continued****Transit/Commuter Rail**

11. **Memorandum of Understanding (MOU) for the Administration of Job Access and Reverse Commute (JARC) and New Freedom (NF) Grant Funds** Pg. 68

Approve in concept the MOU (SANBAG Agreement C09057) between SANBAG and the Southern California Association of Governments (SCAG), Riverside County Transportation Commission (RCTC), Omnitrans, the Riverside Transit Agency (RTA) and the Sunline Transit Agency for the administration of the JARC and NF funds. **Mike Bair**

12. **Amendment to Memorandum of Understanding (MOU) with the City of Upland** Pg. 84

1. Approve Amendment No. 4 to the MOU (SANBAG Agreement 03-041) with the City of Upland relating to the restoration of the historic Santa Fe Depot and Lemon Grower's Building and the demolition of an industrial building in the vicinity of the Upland Metrolink Station, increasing the amount required for the Lemon Grower's Building renovation by \$1,000,000 for a new not to exceed total of \$2,100,000; extending the estimated completion date to January 31, 2009, and increasing SANBAG's financial contribution by \$500,000 for a new total of \$1,796,125; and

2. Approve Amendment to Budget Task 37909000 – Commuter Rail Capital, increasing the budget authority by \$500,000 for a new total of \$3,183,200 as identified in the Financial Impact Section. **Mike Bair**

**Transportation Programs & Fund Admin.**

13. **Transportation Development Act Triennial Performance Audits** Pg. 92

Authorize the release of Request for Proposal 09-056 for conducting the Transportation Development Act Triennial Performance Audit of the San Bernardino County Transportation Commission and the following transit operators/claimants: Cities of Barstow, Needles, Morongo Basin Transit Authority, Mountain Area Transit Authority, Omnitrans and Victor Valley Transit Authority. **Mike Bair**

**Comments from Committee Members**

**Public Comment**

**ADJOURNMENT**

**Additional Information**

**Acronym List**

**Pg. 105**

Complete packages of the SANBAG agenda are available for public review at the SANBAG offices. Staff reports for items may be made available upon request. For additional information call (909) 884-8276.

## Meeting Procedures and Rules of Conduct

### **Meeting Procedures**

The Ralph M. Brown Act is the state law which guarantees the public's right to attend and participate in meetings of local legislative bodies. These rules have been adopted by the Board of Directors in accordance with the Brown Act, Government Code 54950 et seq., and shall apply at all meetings of the Board of Directors and Policy Committees.

### **Accessibility**

The SANBAG meeting facility is accessible to persons with disabilities. If assistive listening devices or other auxiliary aids or services are needed in order to participate in the public meeting, requests should be made through the Clerk of the Board at least three (3) business days prior to the Board meeting. The Clerk's telephone number is (909) 884-8276 and office is located at 1170 W. 3<sup>rd</sup> Street, 2<sup>nd</sup> Floor, San Bernardino, CA.

**Agendas** – All agendas are posted at 1170 W. 3<sup>rd</sup> Street, 2<sup>nd</sup> Floor, San Bernardino at least 72 hours in advance of the meeting. Complete packages of this agenda are available for public review at the SANBAG offices and our website: [www.sanbag.ca.gov](http://www.sanbag.ca.gov). Staff reports for items may be made available upon request. For additional information call (909) 884-8276.

**Agenda Actions** – Items listed on both the "Consent Calendar" and "Items for Discussion" contain suggested actions. The Board of Directors will generally consider items in the order listed on the agenda. However, items may be considered in any order. New agenda items can be added and action taken by two-thirds vote of the Board of Directors.

**Closed Session Agenda Items** – Consideration of closed session items *excludes* members of the public. These items include issues related to personnel, pending litigation, labor negotiations and real estate negotiations. Prior to each closed session, the Chair will announce the subject matter of the closed session. If action is taken in closed session, the Chair may report the action to the public at the conclusion of the closed session.

**Public Testimony on an Item** – Members of the public are afforded an opportunity to speak on any listed item. Individuals wishing to address the Board of Directors or Policy Committee Members should complete a "Request to Speak" form, provided at the rear of the meeting room, and present it to the Clerk prior to the Board's consideration of the item. A "Request to Speak" form must be completed for *each* item an individual wishes to speak on. When recognized by the Chair, speakers should be prepared to step forward and announce their name and address for the record. In the interest of facilitating the business of the Board, speakers are limited to three (3) minutes on each item. Additionally, a twelve (12) minute limitation is established for the total amount of time any one individual may address the Board at any one meeting. The Chair or a majority of the Board may establish a different time limit as appropriate, and parties to agenda items shall not be subject to the time limitations.

The Consent Calendar is considered a single item, thus the three (3) minute rule applies. Consent Calendar items can be pulled at Board member request and will be brought up individually at the specified time in the agenda allowing further public comment on those items.

**Agenda Times** – The Board is concerned that discussion take place in a timely and efficient manner. Agendas may be prepared with estimated times for categorical areas and certain topics to be discussed. These times may vary according to the length of presentation and amount of resulting discussion on agenda items.

**Public Comment** – At the end of the agenda, an opportunity is also provided for members of the public to speak on any subject within the Board's authority. *Matters raised under "Public Comment" may not be acted upon at that meeting. "Public Testimony on any Item" still apply.*

**Disruptive Conduct** – If any meeting of the Board is willfully disrupted by a person or by a group of persons so as to render the orderly conduct of the meeting impossible, the Chair may recess the meeting or order the person, group or groups of person willfully disrupting the meeting to leave the meeting or to be removed from the meeting. Disruptive conduct includes addressing the Board without first being recognized, not addressing the subject before the Board, repetitiously addressing the same subject, failing to relinquish the podium when requested to do so, or otherwise preventing the Board from conducting its meeting in an orderly manner. *Please be aware that a NO SMOKING policy has been established for meetings. Your cooperation is appreciated!*



**SANBAG General Practices for Conducting Meetings  
of  
Board of Directors and Policy Committees**

**Basic Agenda Item Discussion.**

- The Chair announces the agenda item number and states the subject.
- The Chair calls upon the appropriate staff member or Board Member to report on the item.
- The Chair asks members of the Board/Committee if they have any questions or comments on the item. General discussion ensues.
- The Chair calls for public comment based on “Request to Speak” forms which may be submitted.
- Following public comment, the Chair announces that public comment is closed and asks if there is any further discussion by members of the Board/Committee.
- The Chair calls for a motion from members of the Board/Committee.
- Upon a motion, the Chair announces the name of the member who makes the motion. Motions require a second by a member of the Board/Committee. Upon a second, the Chair announces the name of the Member who made the second, and the vote is taken.

**The Vote as specified in the SANBAG Bylaws.**

- Each member of the Board of Directors shall have one vote. In the absence of the official representative, the alternate shall be entitled to vote. (Board of Directors only.)
- Voting may be either by voice or roll call vote. A roll call vote shall be conducted upon the demand of five official representatives present, or at the discretion of the presiding officer.

**Amendment or Substitute Motion.**

- Occasionally a Board Member offers a substitute motion before the vote on a previous motion. In instances where there is a motion and a second, the maker of the original motion is asked if he would like to amend his motion to include the substitution or withdraw the motion on the floor. If the maker of the original motion does not want to amend or withdraw, the substitute motion is not addressed until after a vote on the first motion.
- Occasionally, a motion dies for lack of a second.

**Call for the Question.**

- At times, a member of the Board/Committee may “Call for the Question.”
- Upon a “Call for the Question,” the Chair may order that the debate stop or may allow for limited further comment to provide clarity on the proceedings.
- Alternatively and at the Chair’s discretion, the Chair may call for a vote of the Board/Committee to determine whether or not debate is stopped.
- The Chair re-states the motion before the Board/Committee and calls for the vote on the item.

**The Chair.**

- At all times, meetings are conducted in accordance with the Chair’s direction.
- These general practices provide guidelines for orderly conduct.
- From time-to-time circumstances require deviation from general practice.
- Deviation from general practice is at the discretion of the Board/Committee Chair.

**Courtesy and Decorum.**

- These general practices provide for business of the Board/Committee to be conducted efficiently, fairly and with full participation.

It is the responsibility of the Chair and Members to maintain common courtesy and decorum.

- San Bernardino County Transportation Commission ■ San Bernardino County Transportation Authority  
■ San Bernardino County Congestion Management Agency ■ Service Authority for Freeway Emergencies

## *Minute Action*

AGENDA ITEM: 1

**Date:** August 13, 2008

**Subject:** Information Relative to Possible Conflict of Interest

**Recommendation\*:** Note agenda items and contractors/subcontractors which may require member abstentions due to possible conflicts of interest.

**Background:** In accordance with California Government Code 84308, members of the Board may not participate in any action concerning a contract where they have received a campaign contribution of more than \$250 in the prior twelve months from an entity or individual. This agenda contains recommendations for action relative to the following contractors:

Item No.	Contract No.	Contractor/Agents	Subcontractors
4	P09024	Millennium Consulting, LLC <i>Kenneth Ramos</i>	None
7b	C08-145	Tyler Technologies, Inc. <i>Kyle M. Johnson</i>	None
10	A030072-02	California Strategies <i>Mark Watts</i>	None

**Financial Impact:** This item has no direct impact on the budget.

**Reviewed By:** This item is prepared monthly for review by the Board of Directors and Policy Committee members.

\*

*Approved*  
*Administrative Committee*

*Date:* \_\_\_\_\_

*Moved:* \_\_\_\_\_ *Second:* \_\_\_\_\_

*In Favor:* \_\_\_\_\_ *Opposed:* \_\_\_\_\_ *Abstained:* \_\_\_\_\_

*Witnessed:* \_\_\_\_\_

# ADMINISTRATIVE COMMITTEE ATTENDANCE RECORD - 2008

Name	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
<b>Paul Biane</b> Board of Supervisors	X	X	X		X	X	X					
<b>Robert Christman</b> City of Loma Linda	X	X	X	X	X							
<b>Mike Leonard</b> City of Hesperia	X	X	X	X	X	X						
<b>Bea Cortes</b> City of Grand Terrace	X	X		X	X	X						
<b>Lawrence Dale</b> City of Barstow	X	X	X		X	X	X					
<b>Paul Eaton</b> City of Montclair	X	X		X	X	X	X					
<b>Josie Gonzales</b> Board of Supervisors			X	X	X	X						
<b>Dennis Hansberger</b> Board of Supervisors	X	X	X			X						
<b>Brad Mitzelfelt</b> Board of Supervisors	X	X		X		X						
<b>Gary Ovitt</b> Board of Supervisors	X	X		X	X	X	X					
<b>Dennis Yates</b> City of Chino							X					
<b>Gwenn Norton-Perry</b> City of Chino Hills					X							
<b>Rick Roelle</b> Town of Apple Valley	X			X	X	X						

X = Member attended meeting.

\* = Alternate member attended meeting. Empty box = Member did not attend meeting

Crossed out box = Not a member at the time.

# ADMINISTRATIVE COMMITTEE ATTENDANCE RECORD - 2007

Name	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
<b>Paul Biane</b> Board of Supervisors	X	X	X		X	X	X	X				X
<b>Robert Christman</b> City of Loma Linda	X	X		X	X	X	X	X	X	X	X	X
<b>Kevin Cole</b> City of Twentynine Palms	X	X	X	X	X	X	X					
<b>Mike Leonard</b> City of Hesperia											X	X
<b>Bea Cortes</b> City of Grand Terrace	X	X	X	X	X		X	X	X	X		X
<b>Lawrence Dale</b> City of Barstow	X	X	X	X	X	X	X	X	X	X	X	X
<b>Paul Eaton</b> City of Montclair		X		X	X	X	X	X	X	X		X
<b>Josie Gonzales</b> Board of Supervisors	X		X	X	X		X	X				X
<b>Dennis Hansberger</b> Board of Supervisors	X	X		X	X		X	X		X	X	X
<b>Brad Mitzelfelt</b> Board of Supervisors	X	X		X						X		
<b>Gary Ovitt</b> Board of Supervisors	X	X	X	X		X	X		X		X	X
<b>Gwenn Norton-Perry</b> City of Chino Hills		X	X	X	X			X		X	X	X
<b>Rick Roelle</b> Town of Apple Valley	X	X	X		X	X		X	X	X		X

X = Member attended meeting. \* = Alternate member attended meeting. Empty box = Member did not attend meeting. Crossed out box = Not a member at the time.

- San Bernardino County Transportation Commission ■ San Bernardino County Transportation Authority  
■ San Bernardino County Congestion Management Agency ■ Service Authority for Freeway Emergencies

## *Minute Action*

### AGENDA ITEM: 3

**Date:** August 13, 2008

**Subject:** Procurement Report for July 2008

**Recommendation:\*** Receive Monthly Procurement Report.

**Background:** The Board of Directors approved the Contracting and Procurement Policy (Policy No. 11000) on January 3, 1997. The Executive Director, or designee, is authorized to approve Purchase Orders up to an amount of \$25,000. All procurements for supplies and services approved by the Executive Director, or his designee, in excess of \$5,000 shall be routinely reported to the Administrative Committee and to the Board of Directors.

Attached are the purchase orders in excess of \$5,000 to be reported to the Administrative Committee for the month of July 2008.

**Financial Impact:** This item imposes no impact on the FY 2008/2009 Budget. Presentation of the monthly procurement report will demonstrate compliance with the Contracting and Procurement Policy (Policy No. 11000).

**Reviewed By:** This item is scheduled for review by the Administrative Committee on August 13, 2008.

**Responsible Staff:** William Stawarski, Chief Financial Officer

*Approved  
Administrative Committee*

*Date:* \_\_\_\_\_

*Moved:*

*Second:*

*In Favor:*

*Opposed:*

*Abstained:*

*Witnessed:* \_\_\_\_\_

# PURCHASE ORDERS ISSUED FOR JULY 2008

	Vendor	Purpose	Sole Source Y/N	Amount
P08220	TH Enterprises, Inc.	Purchase and install a Processor, 80G Hard Drive, and additional RAM on Computer Workstations.	No -- Per Contract 05-034	22,345.64
P08223	TH Enterprises, Inc.	Purchase and install a Processor, 80G Hard Drive, and additional RAM on Computer Laptops.	No -- Per Contract 05-034	11,807.57
P09CCRES	CityCom Real Estate Service	BPO for T1 Internet Service	No -- Per Contract 07-003	200,000.00
P09UIAI	Ultimate Internet Access	BPO for Depot Operating Expenses	No -- Current Web Host for SANBAG website	14,400.00
P09005	UCLA Public Policy Program	UCLA Annual Symposium Co-Sponsorship	No	6,000.00
P09007	Hinderliter, DeLlamas & Assoc.	Quarterly Analysis & Reporting of Measure I Transportation Sales and Use Tax	No -- Per Agreement 93-079	9,600.00
P09035	Gladstein, Neandross, & Assoc.	Retain Services for Interstate Clean Transportation Corridor Consulting Activities	Yes -- GNA is acting Project Director	25,000.00
P09036	ITERIS	Technical Assistance for ITS Projects	Yes -- Vendor has worked with SANBAG in the past and has unique experience in carrying out these services	25,000.00
P09038	Barnard Arroyo	Consulting and Technical Support for the Call Box Program	Yes -- Vendor carries unique expertise in this area and has been used in the past	5,000.00

	Vendor	Purpose	Sole Source Y/N	Amount
P09039	Jill Kollmann & Associates	Consulting and Technical Support for the Call Box Program	Yes – Vendor carries unique expertise in this area and has been used in the past	5,000.00
P09040	Jill Kollmann & Associates	Consulting and Technical Support for the Rideshare Programs	Yes – Vendor carries unique expertise in this area and has been used in the past	20,000.00
P09041	LA County Metropolitan Transit.	Reimbursement for SANBAG's share of expenses of Regional Rideshare, Marketing & Outreach	No – This is an intergovernmental contract	16,507.00
P09044	La Opinion	Metrolink Advertisements	No	15,069.60
P09045	Inland Empire Community News	Metrolink Advertisements	No	15,600.00
P09047	Chino Champion	Metrolink Advertisements	No	10,608.00
P09052	Barnard Arroyo	Consulting and Technical Support for the FSP Program	Yes – Vendor carries unique expertise in this area and has been used in the past	20,000.00
			TOTAL PURCHASE ORDERS ISSUED	\$421,937.81

- San Bernardino County Transportation Commission ■ San Bernardino County Transportation Authority  
■ San Bernardino County Congestion Management Agency ■ Service Authority for Freeway Emergencies

## *Minute Action*

AGENDA ITEM: 4

**Date:** August 13, 2008

**Subject:** Consulting Services for the Preparation of the Indirect Cost Allocation Plan

**Recommendation:\*** Approve **Sole Source** Purchase Order P09024 with Millennium Consulting, LLC for consulting services to prepare San Bernardino Associated Governments Indirect Cost Allocation Plan in an amount not to exceed \$41,000 as identified in the Financial Impact Section.

**Background:** **This is a Sole Source Purchase Order.** Millennium Consulting, LLC has assisted San Bernardino Associated Governments with the preparation of the Indirect Cost Allocation Plan (ICAP) in the past. Due to staffing changes within the Finance Department, the ICAP rate has not yet been prepared and approved for FY 2007/2008.

This purchase order will cover the preparation and submission of the FY 2007/2008 as well as the FY 2008/2009 Indirect Cost Allocation Plan.

**Financial Impact:** This item is consistent with the FY 2007/2008 and FY 2008/2009 budgets, Tasks ISF08 and ISF09 – Indirect.

**Reviewed By:** This item is scheduled for review by the Administrative Committee on August 13, 2008.

**Responsible Staff:** William Stawarski, Chief Financial Officer

\*

*Approved*  
*Administrative Committee*

*Date:* \_\_\_\_\_

*Moved:*

*Second:*

*In Favor:*

*Opposed:*

*Abstained:*

*Witnessed:* \_\_\_\_\_



## PURCHASE ORDER REQUEST

**NOTE:** Do not use a purchase order for construction projects, roadwork, purchase or lease of real property, and employment contracts.

**Short Description of PO** to be included in monthly procurement report.  
(Required) Use up to a maximum of 27 characters to provide a short description.

07/08 and 08/09 Indirect Cost  
Rate Proposals

**VENDOR:** Millennium Consulting, LLC

**Vendor ID** MC6

**ADDRESS:** 915 L Street #C401 Sacramento, CA 95814

**PHONE:** 909-966-0662

☐ **Process payment from this PO Request – invoice is attached.**

**PO End Date (required):** 06/30/09

**PO # (if released for RFP/RFQ):** P09024

Item Description	Order Qty	Task #	Cost Code	Amount
Consulting Services for the review, analysis	1	ISF09	5553	\$ 41,000.00
Computation, and preparation of SANBAG's				\$
Indirect Cost Allocation Plan for the 07/08 and				\$
08/09 Fiscal Year, including actual travel costs.				\$
See the attached "Terms of Service", "Statement				\$
Of Work", and vendor "Cost Estimate:				\$
Shipping/Handling				\$
<b>TOTAL</b>				<b>\$ 41,000.00</b>

Attach any special instructions that are to be noted on the purchase order.

**Please answer the following questions regarding the selection process:**

Was the County Pre-Approved Vendor List used? X No ☐ Yes

Was an informal competitive bid process done? X No ☐ Yes -- complete Informal Bid Process Form (Page 2).

Is this a sole source purchase order? ☐ No ☐ Yes - If so, why? This vendor has been utilized in the past for this type of service. Vendor contacted again at the advice of the Executive Director.

Filename: Agreements\PO _____	Requested By: <u>Cynthia Cordova</u>	Date 08/04/08
	P.O. Manager's Signature	Date
	Approved by <u>[Signature]</u> (Signature)	8/5/08

- 
- San Bernardino County Transportation Commission ■ San Bernardino County Transportation Authority  
■ San Bernardino County Congestion Management Agency ■ Service Authority for Freeway Emergencies
- 

*Minute Action*

AGENDA ITEM: 5

**Date:** August 13, 2008

**Subject:** Resolution to Establish SANBAG Employees Authorized to Transact Business

**Recommendation:\*** Approve SANBAG Resolution No. 09-003 Authorizing Investment of Monies in the Local Agency Investment Fund (LAIF).

**Background:** Due to changes in staff, new resolutions are required to establish agents for the banking and investment fund transactions.

The SANBAG Resolution 09-003 (LAIF) authorizes the signatures of the Executive Director, Deborah Robinson Barmack; Chief Financial Officer, William Stawarski; and Accounting Manager, Cynthia Cordova.

**Financial Impact:** This item has no financial impact on the 2008/2009 budget.

**Reviewed By:** This item is scheduled for review by the Administrative Committee on August 13, 2008.

**Responsible Staff:** William Stawarski, Chief Financial Officer

\*

*Approved*  
*Administrative Committee*

*Date:* \_\_\_\_\_

*Moved:*

*Second:*

*In Favor:*

*Opposed:*

*Abstained:*

*Witnessed:* \_\_\_\_\_

**RESOLUTION NO. 09-003**

**SAN BERNARDINO ASSOCIATED GOVERNMENTS**  
**1170 West 3<sup>rd</sup> Street, 2<sup>nd</sup> Fl.**  
**San Bernardino, CA 92410-1715**  
**909-884-8276**

**AUTHORIZING INVESTMENT OF MONIES  
IN THE LOCAL AGENCY INVESTMENT FUND**

WHEREAS, Pursuant to Chapter 730 of the statutes of 1976 Section 16429.1 as added to the California Government Code to create a Local Agency Investment Fund in the State Treasury for the deposit of money of a local agency for purposes of investment by the State Treasurer; and

WHEREAS, the Board of Directors does hereby find that the deposit and withdrawal of money in the Local Agency Investment Fund in accordance with the provision of Section 16429.1 of the Government Code for the purpose of investment as stated therein as in the best interests of the San Bernardino Associated Governments (SANBAG).

NOW THEREFORE, BE IT RESOLVED, that the Board of Directors does hereby authorize the deposit and withdrawal of SANBAG monies in the Local Agency Investment Fund in the Treasury in accordance with the provision of Section 16429.1 of the Government Code for the purpose of investment as stated therein.

BE IT FURTHER RESOLVED, that the following SANBAG employees shall be authorized to order the deposit or withdrawal of monies in the Local Agency Investment Fund:

Deborah Robinson Barmack  
Executive Director

William Stawarski  
Chief Financial Officer

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Signature

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Signature

Cynthia A. Cordova  
Accounting Manager

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Signature

Approved, by the Board of Directors of the San Bernardino County Transportation Commission at a regular meeting thereof held this 3<sup>rd</sup> day of September 2008.

\*

\*

*Approved  
Board of Directors*

*Date:* \_\_\_\_\_

*Moved:*

*Second:*

*In Favor:*

*Opposed:*

*Abstained:*

*Witnessed:* \_\_\_\_\_

## *Minute Action*

AGENDA ITEM: 6

**Date:** August 13, 2008

**Subject:** Appropriations Limitation for Fiscal Years 2007/2008 and 2008/2009

**Recommendation:**\* Adopt Resolution 09-004 to establish appropriations limit at \$827,595,287 for Fiscal Year 2007/2008 and establish appropriations limit at \$875,612,366 for Fiscal Year 2008/2009.

**Background:** Article XIII B of the California Constitution specifies that the appropriations limit of state and local governments may increase annually by a factor comprised of the change in population combined with the change in California per capita personal income.

In accordance with the above mentioned requirements Resolution 09-004 has been prepared and is attached for review and adoption. The Ordinance 89-1 (Measure I) established the original appropriations limit of \$250,000,000. Resolution 09-004 establishes the appropriations limit at \$827,595,287 for Fiscal Year 2007/2008 and \$875,612,366 for Fiscal Year 2008/2009. The annual establishment of an appropriations limitation excludes federal grant funds.

The California Department of Finance provides the percentage change over prior year for the per capita personal income and the annual percent change in population. The calculation is reviewed and approved by independent auditors.

*Approved*  
*Administrative Committee*

*Date:* \_\_\_\_\_

*Moved:* \_\_\_\_\_ *Second:* \_\_\_\_\_

*In Favor:* \_\_\_\_\_ *Opposed:* \_\_\_\_\_ *Abstained:* \_\_\_\_\_

*Witnessed:* \_\_\_\_\_

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The previous limit, as approved by the Board of Directors, was \$778,093,010. This item adjusts the limit amount to \$875,612,366.

***Financial Impact:*** No fiscal impact. The 2008/2009 adopted budget with associated amendments is well below the proposed appropriation limit.

***Reviewed By:*** This item is scheduled for review by the Administrative Committee on August 13, 2008, and has also been reviewed by legal counsel.

***Responsible Staff:*** William Stawarski, Chief Financial Officer

## RESOLUTION NO. 09-004

### RESOLUTION ESTABLISHING APPROPRIATIONS LIMIT FOR FISCAL YEAR 2007/2008 and 2008/2009

**WHEREAS**, Article XIII B of the California Constitution and Sections 7900 through 7913 of the California Government Code require the establishment of an appropriations limit; and

**WHEREAS**, appropriations limits are applicable to funds received from the proceeds of taxes and interest earned on such proceeds.

**NOW, THEREFORE, BE IT RESOLVED**, that the San Bernardino County Transportation Authority hereby determines that pursuant to Section 7902(b) of the California Government Code, the appropriations limit for San Bernardino County Transportation Authority for Fiscal Year 2007/2008 is determined to be \$827,595,287.

**BE IT FURTHER RESOLVED**, that the San Bernardino County Transportation Authority hereby determines that pursuant to Section 7902(b) of the California Government Code, the appropriations limit for San Bernardino County Transportation Authority for Fiscal Year 2008/2009 is determined to be \$875,612,366.

Approved by the Board of Directors of the San Bernardino County Transportation Commission at a regular meeting thereof held this 3<sup>rd</sup> day of September 2008.

*Approved  
Board of Directors*

*Date:* \_\_\_\_\_

*Moved:* \_\_\_\_\_ *Second:* \_\_\_\_\_

*In Favor:* \_\_\_\_\_ *Opposed:* \_\_\_\_\_ *Abstained:* \_\_\_\_\_

*Witnessed:* \_\_\_\_\_

## *Minute Action*

AGENDA ITEM: 7a

**Date:** August 13, 2008

**Subject:** Report and Fiscal Year (FY) 2008/2009 Budget Amendment for the SANBAG Financial Management Software System (FMSS)

**Recommendation:\***

1. Receive report on the development and status of the FMSS implementation; and
2. Approve a FY 2008/2009 Budget Amendment in the amount of \$314,030, for tasks associated with the implementation of the FMSS, by increasing Task Number IAM09 by \$254,030 and Task Number ISF09 by \$60,000, as outlined in the Financial Impact Section below.

**Background:** In September 2007, the SANBAG Board selected an Information Technology Consultant for the purpose of advising SANBAG on the selection, procurement and implementation of a new FMSS, which is a replacement for SANBAG's existing financial and accounting software system package. The Consultant team, Civic Resource Group or CRG, worked extensively with SANBAG Staff during the fall of 2007 to evaluate current and future needs, and to assist in the development of a Request for Proposals (RFP). As a result of this work effort, an RFP was released on March 5, 2008 seeking proposals from qualified vendors for software and implementation services for a new system. The RFP announcement was mailed to 30 vendors, posted on the SANBAG website and also advertised on

*Approved*  
*Administrative Committee*

*Date:* \_\_\_\_\_

*Moved:* \_\_\_\_\_ *Second:* \_\_\_\_\_

*In Favor:* \_\_\_\_\_ *Opposed:* \_\_\_\_\_ *Abstained:* 0

*Witnessed:* \_\_\_\_\_



two on-line procurement announcement websites. During the RFP process, 11 vendors had sent documentation to SANBAG that they were interested in the RFP and participated throughout the two-month process. On the date that proposals were due (May 5, 2008) four vendors submitted proposals in response to the RFP.

Now that the proposals have been evaluated, Staff has a better understanding as to the exact costs associated with the implementation. When the FY 2008/2009 Budget was developed in the spring of 2008, it was unknown at the time as to the exact costs associated with of the implementation. Therefore, \$300,000 was budgeted towards these activities for FY 2008/2009.

In evaluating the overall needs in implementing a new FMSS system, and so that day-to-day SANBAG operations are not disrupted, Staff recommends that the following components be implemented along with the vendor contract recommendation. These additional one-time costs include:

1. The agreement with the Software vendor for \$462,135 for software implementation, customizations and one year of maintenance (Agenda Item B);
2. A Memorandum of Understanding with the County of San Bernardino for project management services for the implementation of the project for a 20 month period, not to exceed \$257,400 (Agenda Item C);
3. Procurement of an SQL server for the new system, not to exceed \$20,000 and can be procured through a purchase order; and
4. Temporary help to assist with the day-to-day finance and accounting responsibilities during the transition and implementation, so that those Staff is freed up to develop and implement the new product. The temporary help will be trained on the existing system and will perform daily/routine functions therefore leaving existing staff the ability to concentrate and train on the new system. The additional help would be brought on through an agency and those costs are estimated to be \$60,000, assuming three persons working full time up to a nine-month period.

It is estimated that the FY 2008/2009 costs for implementation of the baseline products and services, are expected to be \$799,535 of which \$614,030 will be expended in this fiscal year and the balance of \$185,505 will be budgeted in FY 2009/2010.

Since \$300,000 has already been included in the FY 20082009 Budget for this project, an additional \$314,030 in funds will be required for this fiscal year to

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complete the scheduled tasks and implementation. Therefore, Staff requests an amendment to the FY 2008/2009 Budget in an amount of \$314,030 to cover expenses associated with the Tyler Technologies Contract No. C08145 and extra help during implementation.

**Financial Impact:** The impact of this item would be to increase the FY 2008/2009 SANBAG Budget by \$314,030, for tasks associated with the implementation of the FMSS, by increasing Task Number IAM09 by \$254,030 and Task Number ISF08 by \$60,000 - funding source: Indirect.

**Reviewed By:** This item will be reviewed by the Administrative Committee at its August 13, 2008 meeting.

**Responsible Staff:** Michelle Kirkhoff, Director of Air Quality/Mobility Programs  
Bill Stawarski, Chief Financial Officer

## *Minute Action*

AGENDA ITEM: 7b

**Date:** August 13, 2008

**Subject:** Contract for a Financial Management Software System (FMSS)

**Recommendation:\*** Approve Contract No. 08-145 with Tyler Technologies, Inc., in the amount of \$462,135, for the purchase and implementation of a FMSS, as outlined in the Financial Impact Section below.

**Background:** As mentioned in previous agenda items, SANBAG has been working towards the selection of a vendor to implement a FMSS. On the date that proposals were due (May 5, 2008) four vendors submitted proposals in response to the Request for Proposals (RFP). Proposals submitted were from (in alphabetical order):

1. ComputerWorks NFP Solutions (AccuFund Accounting Suite);
2. Innoprise Software, Inc. (Innoprise Suite);
3. Protean Technologies (Microsoft Dynamics NAV with Navigator);  
and
4. Tyler Technologies, Inc. (Eden Solutions).

The proposals were evaluated by a Committee consisting of Staff from SANBAG, the Riverside County Transportation Commission, the County of San Bernardino

*Approved*  
*Administrative Committee*

*Date:* \_\_\_\_\_

*Moved:* \_\_\_\_\_ *Second:* \_\_\_\_\_

*In Favor:* \_\_\_\_\_ *Opposed:* \_\_\_\_\_ *Abstained:* 0

*Witnessed:* \_\_\_\_\_

and SANBAG consultants (Civic Resource Group, in an advisory capacity).  
Criteria used included:

- a. Firm Qualification and Product Quality,
- b. Staffing and Project Organization,
- c. Work Plan,
- d. Cost and Price, and
- e. References.

After an initial review, the Evaluation Committee short-listed the following two Proposers:

1. ComputerWorks NFP Solutions (AccuFund Accounting Suite) and
2. Tyler Technologies, Inc. (Eden Solutions)

These two Proposers were requested to demonstrate their products at SANBAG. After discussion by the Evaluation Committee, it was recommended to more fully review/demonstrate the Tyler product, upon which an additional day was set aside for a lengthier product demonstration. At the end of the evaluation period, the Committee ranked the Proposers in this order:

1. Tyler Technologies, Inc. (Eden Solutions)
2. ComputerWorks NFP Solutions (AccuFund Accounting Suite)
3. Innoprise Software, Inc. (Innoprise Suite)
4. Protean Technologies (Microsoft Dynamics NAV with Navigator)

As a professional services RFP, cost was not the deciding factor and in fact was one of five criteria in determining the final successful proposal. Cost proposals ranged from \$150,000 to \$552,000; however the robustness of the four systems proposed varied greatly. Staff performed thorough reference checks provided by the top two vendors. In addition, Staff visited on-site with the Cities of Loma Linda and West Covina for an extensive discussion and their experiences with the Tyler product. Staff also participated in conference calls with Staff from the Cities of Petaluma and West Hollywood as well as a transit provider in Florida to determine their impressions and experiences with the Tyler product. SANBAG's consultant also discussed in detail with several other Cities in San Bernardino County as to their experiences with the Tyler product. All references were very complimentary of the product, the staffing/skills provided, project organization and every reference stated that the implementation was on schedule and on budget. In the end each believed that Tyler delivered per their contract and proposal.

The Evaluation Committee recommended that Tyler Technologies, Inc. be recommended to the SANBAG Board as the successful product, and was determined superior when compared to the other Proposers, for several reasons.

- a. Firm Qualification and Product Quality –Tyler has one product and that is to provide public agency finance and accounting systems. They currently provide this system to over 250 government agencies, many within San Bernardino County. The product is of a high quality, met all of the required needs as outlined in the RPF and required the least amount of customization when compared to the other Proposers.
- b. Staffing and Project Organization – the company is well staffed to meet the unique demands of the SANBAG implementation.
- c. Work Plan - was very thorough and took into account many of the contingencies and issues that may arise.
- d. Cost and Price – although the product was the second highest in cost of the four proposals received, the package is complete and can accommodate the growing and changing needs of this organization for the years to come. The package also includes a project accounting module which is integrated into the general ledger and all other modules, and will greatly assist in tracking \$100 million plus projects covering multiple years and funding sources. Many other agencies that do not have integrated project accounting modules spend much time and resources to create such a module and attempt to integrate it with the financial system. In addition, the support and training offered is first rate.
- e. References were very positive. All were from public agencies and they all stated that throughout the implementation Tyler stayed on schedule and on budget. They were very positive about the level of support and services provided.

Please refer to attached Contract No. 08-145. Once every module is implemented, the annual/ongoing maintenance, service and support costs will be approximately \$53,235. The contract is based on time and materials, so any work not performed will not be reimbursed by SANBAG. The contract also accommodates a number of customizations and additional services to meet SANBAG's diverse accounting needs. Tyler releases new versions of their product on an annual basis and all upgrades and improvements made to the software are covered through the annual maintenance fee. The contract is based on time and materials, so any work not performed will not be reimbursed by SANBAG.

Therefore Staff recommends approval of Contract No. 08-145 with Tyler Technologies, Inc., in an amount not to exceed \$462,135.

**Financial Impact:** Funds are insufficient in the existing budget to cover all costs anticipated to be expended in FY 2008/2009. A prior agenda item requested a budget amendment which would increase Task Number IAM09 by \$254,030 and in addition to the amount previously budgeted all anticipated costs will be covered for this fiscal year. Of the \$462,135 contract amount, it is expected that \$379,590 will be expended in this fiscal year and the balance of \$82,545 will be budgeted in the FY 2009/2010 budget cycle. Funding source is Indirect.

**Reviewed By:** This item will be reviewed by the Administrative Committee at its August 13, 2008 meeting. The Contract has been reviewed as to form by SANBAG Legal Counsel.

**Responsible Staff:** Michelle Kirkhoff, Director of Air Quality/Mobility Programs  
Bill Stawarski, Chief Financial Officer

**SANBAG Contract No. 08-145**

by and between

San Bernardino Associated Governments

and

Tyler Technologies, Inc.

for

Purchase and Implementation of Financial Management Software System**FOR ACCOUNTING PURPOSES ONLY**

<input checked="" type="checkbox"/> Payable	Vendor Contract # _____	Retention:	<input checked="" type="checkbox"/> Original
<input type="checkbox"/> Receivable	Vendor ID <u>TTI6</u>	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Amendment

Notes:

Original Contract:	<u>\$ 442,135</u>	Previous Amendments Total:	\$ _____
		Previous Amendments Contingency Total:	\$ _____
Contingency Amount:	<u>\$ 20,000</u>	Current Amendment:	\$ _____
		Current Amendment Contingency:	\$ _____

Contingency Amount requires specific authorization by Task Manager prior to release.

**Contract TOTAL →** \$ 462,135

↓ Please include funding allocation for the original contract or the amendment.

Task	Cost Code	Funding Sources	Grant ID	Amounts
<u>IAM09</u>	<u>5553</u>	<u>Indirect</u>	<u>N/A</u>	<u>\$462,135</u>
_____	_____	_____	_____	\$ _____
_____	_____	_____	_____	\$ _____
_____	_____	_____	_____	\$ _____

Original Board Approved Contract Date: <u>9/3/08</u>	Contract Start: <u>9/3/08</u>	Contract End: <u>9/3/10</u>
New Amend. Approval (Board) Date: _____	Amend. Start: _____	Amend. End: _____

**If this is a multi-year contract/amendment, please allocate budget authority among approved budget authority and future fiscal year(s)-unbudgeted obligations:**

<b>Approved Budget Authority →</b>	Fiscal Year: <u>0809</u> \$ <u>379,590</u>	<b>Future Fiscal Year(s) – Unbudgeted Obligation →</b>	\$ <u>82,545</u>
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Is this consistent with the adopted budget? ☐ Yes ☒ No  
If yes, which Task includes budget authority? \_\_\_\_\_  
If no, has the budget amendment been submitted? ☒ Yes ☐ No

**CONTRACT MANAGEMENT****Please mark an "X" next to all that apply:**

☐ Intergovernmental ☒ Private ☐ Non-Local ☐ Local ☐ Partly Local

Disadvantaged Business Enterprise: ☒ No ☐ Yes \_\_\_\_\_ %

Task Manager: Director of Management Services	Contract Manager: Director of Management Svc.
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*Neharok Robinson Darnack* 8/6/08 *Neharok Robinson Darnack*  
Task Manager Signature Date Contract Manager Signature Date

\_\_\_\_\_  
Chief Financial Officer Signature Date

Filename: C08145.doc

AGREEMENT NO. 08-145  
BETWEEN  
SAN BERNARDINO ASSOCIATED GOVERNMENTS  
AND  
TYLER TECHNOLOGIES, INC.  
For  
FINANCIAL SYSTEM SOFTWARE AND PRODUCTS

This agreement ("Agreement") is made this 3<sup>rd</sup> day of September, 2008 by and between **Tyler Technologies, Inc.**, with offices at 1100 Oakesdale Avenue SW, Renton, Washington 98057 ("Tyler") and the **San Bernardino Associated Governments**, with offices at 1170 W. 3rd Street, 2nd Floor, San Bernardino, CA. 92410-1715 ("Client").

**Section A - Software License Agreement**

**1. License Grant.**

- a) Upon the effective date of this Agreement, Tyler hereby grants to Client a non-exclusive, non-transferable, royalty-free, revocable license to use the Tyler software products and related interfaces (collectively, the "Tyler Software Products") and Tyler user manuals for Client's internal business purposes only and otherwise subject to the terms and conditions of this Agreement. This license is revocable by Tyler if Client fails to comply with the terms and conditions of this Agreement, including without limitation, Client's failure to timely pay the Application Software License Fees in full. Upon Client's payment in full for the Tyler Software Products, this license shall become irrevocable, subject to the restrictions on use and other terms set forth in this Agreement.
- b) Tyler shall retain ownership of the Tyler Software Products and user manuals.
- c) The Tyler Software Products are not licensed to perform functions or processing for subdivisions or entities that were not disclosed to Tyler prior to the effective date of this Agreement.
- d) The right to transfer the Tyler Software Products to a replacement hardware system is included in this Agreement. Client shall pay Tyler for the cost of new media or any required technical assistance to accommodate the transfer. Client shall provide advance written notice to Tyler of any such transfer.
- e) Client acknowledges and agrees that the Tyler Software Products and user manuals are proprietary to Tyler and have been developed as trade secrets at Tyler's expense. Client shall use best efforts to keep the Tyler Software Products and user manuals confidential and to prevent any misuse, unauthorized use or unauthorized disclosure of the Tyler Software Products or user manuals by any party.
- f) The Tyler Software Products may not be modified. Client shall not perform decompilation, disassembly, translation or other reverse engineering on the Tyler Software Products. If Client modifies the Tyler Software Products, Tyler's obligations to provide maintenance services on and warranty the Tyler Software Products shall be void.
- g) Client may make copies of the Tyler Software Products for archive purposes only. Client will repeat any and all proprietary notices on any copy of the Tyler Software Products. Client may make copies of the Tyler user manuals for internal use only.
- h) Tyler maintains an escrow agreement with an escrow services company under which Tyler places the source code of each major release of the Tyler Software Products. At Client's request, Tyler will add Client as a beneficiary to such escrow agreement. Client shall pay the annual beneficiary fee directly to the escrow services company and is solely responsible for maintaining its status as a beneficiary.
- i) Client specifically acknowledges and agrees that the restrictions and responsibilities of this section apply to both the Client and any third party with which Client contracts.

**2. License Fees.** Client agrees to pay Tyler, and Tyler agrees to accept from Client as payment in full for the license granted herein, the Application Software License Fees set forth in Exhibit 1 - Investment Summary.



### **3. Verification of the Tyler Software Products.**

Client will select one (1) of the following two (2) options within thirty (30) days of installation by providing written notice to Tyler in accordance with Article 15 of Section F:

a) Within sixty (60) days after the Tyler Software Products have been installed on Client's hardware, Tyler will verify the Tyler Software Products by demonstrating to Client that the Tyler Software Products perform all of the functions set forth in Exhibit 2 - Verification Test, which demonstration shall constitute verification that the Tyler Software Products substantially and materially conform to the then-current Tyler user manuals and the functional descriptions of the Tyler Software Products in Tyler's written proposal to Client; or

b) Within sixty (60) days after the Tyler Software Products have been installed on Client's hardware, Client may use its own process to verify that the Tyler Software Products perform all of the functions set forth in Exhibit 2 - Verification Test, which shall constitute verification that the Tyler Software Products substantially and materially conform to the then-current Tyler user manuals and the functional descriptions of the Tyler Software Products in Tyler's written proposal to Client.

c) Verification as described herein shall be final and conclusive except for latent defect, fraud, and a gross mistake that amounts to fraud. In the event verification is not final and conclusive, pursuant to this paragraph, Tyler shall correct the cause thereof. In the event Tyler cannot correct the cause thereof, Client may invoke its rights under Article 4 of Section A.

d) Tyler shall promptly correct any functions of the Tyler Software Products that failed verification.

**4. Limited Warranty.** For as long as a current Maintenance Agreement is in place, Tyler warrants that the Tyler Software Products will substantially and materially conform to the then-current Tyler user manuals and the functional descriptions of the Tyler Software Products in Tyler's written proposal to Client, if applicable. In the event of conflict between the afore-mentioned documents, the then-current Tyler user manuals shall control. If the Tyler Software Products do not perform as warranted, Tyler will use reasonable efforts, consistent with industry standards, to cure the defect. Should Tyler be unable to cure the defect or provide a replacement product, Client shall be entitled to a refund of the Application Software License Fee paid for the defective Tyler Software Product if such failure to perform as warranted occurs prior to the Client using the Tyler Software Product in live operation, not to exceed two (2) years from the effective date of this Agreement. If the failure to perform as warranted occurs after the date of live operation, Client will be refunded the Application Software License fee paid for the defective Tyler Software Product, as depreciated on a straight-line basis over a seven (7) year period commencing on the effective date of this Agreement.

**5. Intellectual Property Infringement Indemnification.** Tyler will defend and indemnify Client against any claim by an unaffiliated third party of this Agreement that a Tyler Software Product infringes that party's patent, copyright or other intellectual property right issued and existing as of the effective date of this Agreement or as of the distribution date of a release to the Tyler Software Product, and will pay the amount of any resulting adverse final judgment issued by a court of competent jurisdiction or of any settlement that Tyler pre-approves in writing, provided that Client promptly notifies Tyler in writing of any such claim, gives Tyler reasonable cooperation, information, and assistance in connection with it, and consent to Tyler's sole control and authority with respect to the defense, settlement or compromise of the claim. Tyler will not be obligated under this section if the infringement results from: (i) Client's use of a previous version of a Tyler Software Product and the claim would have been avoided had Client used the current version of the Tyler Software Product; (ii) Client's combining the Tyler Software Product with devices or products not provided by Tyler, (iii) use of a Tyler Software Product in applications, business environments or processes for which the Tyler Software Product was not designed or contemplated, and where use of the Tyler Software Product outside such application, environment or business process would not have given rise to the claim, (iv) corrections, modifications, alterations or enhancements that Client made to the Tyler Software Product; (v) use of the Tyler Software Product by any person or entity other than Client or Client's employees; or (vi) Client's willful infringement. In the event a Tyler Software Product is finally determined

to be infringing and its use by Client is enjoined, Tyler shall, at its election (i) procure for Client the right to continue using the infringing Tyler Software Product; (ii) modify or replace the infringing Tyler Software Product so that it becomes non-infringing; or (iii) terminate Client's license for the infringing Tyler Software Product and refund to Client the Application Software License Fee paid for the infringing Tyler Software Product, if such termination occurs prior to the Client using the Tyler Software Product in live operation, not to exceed two (2) years from the effective date of this Agreement. If such termination occurs after the date of live operation, Client will be refunded the Application Software License Fee paid for the Infringing Tyler Software Product, as depreciated on a straight-line basis over a seven (7) year period commencing on the effective date of this Agreement. Tyler shall have no liability hereunder if (i) Client modified a Tyler Software Product and such modification is determined by a court of competent jurisdiction to be a contributing cause of the infringement, (ii) Client continues using the infringing Tyler Software Product after Client becomes aware that such infringing Tyler Software Product is or is likely to become the subject of a claim hereunder, or (iii) the infringement would have been avoided by Client's use of the most current version of the Tyler Software Product. The foregoing states Tyler's entire liability and Client's sole and exclusive remedy with respect to the subject matter hereof.

**6. Limitation of Liability.** In no event shall Tyler be liable for special, indirect, incidental, consequential, or exemplary damages, including, without limitation, any damages resulting from loss of use, loss of data, interruption of business activities, or failure to realize savings arising out of or in connection with the use of the Tyler Software Products. Tyler's liability for damages and expenses arising out of this Software License Agreement, whether based on a theory of contract or tort, including negligence and strict liability, shall be limited to the Application Software License Fees set forth in Exhibit 1 - Investment Summary. Such Application Software License Fees reflect and are set in reliance upon this limitation of liability.

## **Section B - Professional Services Agreement**

**1. Services.** Tyler shall provide the services set forth in Exhibit 1 - Investment Summary at Client's election. As the amount of such services is an estimate, Client shall be liable to Tyler for the services actually provided to Client.

### **2. Professional Services Fees.**

- a) All Training & Installation and Data Conversion services shall be invoiced on a monthly basis.
- b) Upon the completion of each service day or group of days performed on-site, Tyler will present a Customer Service Report to Client. Client shall either sign the report indicating acceptance of the service day and its subsequent billing, or not sign the report and note reasons for Client's non-acceptance of the service day. This acceptance is final.
- c) Verification in accordance with Article 3 of Section A shall be billable to Client at the rate for Training & Installation services set forth in Exhibit 1 - Investment Summary.
- d) Payment is due within thirty (30) calendar days of invoice receipt.
- e) Expenses shall be billed in accordance with the then-current Tyler Business Travel Policy, based on Tyler's usual and customary practices. Tyler's current Business Travel Policy is attached hereto as Exhibit 3. Copies of receipts shall be provided on an exception basis at no charge. Should all receipts for non per diem expenses (per diem expenses include airfare, hotel, and meals) be requested, an administrative fee shall be incurred. Receipts for mileage and miscellaneous items less than five dollars (\$5) are not available.
4. Invoices for non per diem expenses shall identify said expenses by line item.

**3. Additional Services.** Services utilized in excess of those set forth in Exhibit 1 - Investment Summary and additional related services not set forth in Exhibit 1 - Investment Summary shall be billed at Tyler's then current rates except that Tyler will guarantee rates for Professional Services as found in the Investment Summary for a period of twelve (12) months after the effective date of this Agreement. Any optional services as outlined in Exhibit 1 or not otherwise included in this Agreement shall only commence upon

written approval by the Chief Financial Officer and as agreed by Tyler.

**4. Limitation of Liability.** In no event shall Tyler be liable for special, indirect, incidental, consequential, or exemplary damages, including, without limitation, any damages resulting from loss of use, loss of data, interruption of business activities, or failure to realize savings arising out of or in connection with the provision or quality of the services or the use of the Tyler Software Products. Tyler's liability for damages and expenses arising out of this Professional Services Agreement, whether based on a theory of contract or tort, including negligence and strict liability, shall be limited to the service fees set forth in Exhibit 1.- Investment Summary. Such fees reflect and are set in reliance upon this limitation of liability.

**5. Cancellation.** In the event Client cancels services less than two (2) weeks in advance, Client is liable to Tyler for (i) all non-refundable expenses incurred by Tyler on Client's behalf; and (ii) daily fees associated with the canceled services if Tyler is unable to re-assign its personnel.

### **Section C - Maintenance Agreement**

**1. Scope of Agreement.** Client agrees to purchase and Tyler agrees to provide maintenance services for the Tyler Software Products in accordance with the following terms and conditions.

**2. Term of Agreement.** This Maintenance Agreement is effective thirty (30) calendar days after the first day of training, per module, and shall remain in force for a one (1) year term. Upon expiration of this Maintenance Agreement, Client may renew the Maintenance Agreement for subsequent one (1) year periods at the then-current Application Software Maintenance Fees.

**3. Payment.**

a) **Additional Charges.** Any maintenance services performed by Tyler for Client which are not covered by this Maintenance Agreement, as set forth in Article 5 of Section C, including materials and expenses, shall be billed to Client at Tyler's then current rates.

b) Tyler reserves the right to suspend maintenance services if Client fails to pay undisputed Application Software Maintenance Fees within sixty (60) calendar days of the due date. Tyler will reinstate maintenance services upon Client's payment of the overdue Application Software Maintenance Fees.

**4. Maintenance Services Terms and Conditions.**

a) For as long as a current Maintenance Agreement is in place, Tyler shall, in a professional, good and workmanlike manner, perform its obligations set forth in this Maintenance Agreement in order to conform the Tyler Software Products to the applicable warranty under this Agreement. If Client modifies the Tyler Software Products, Tyler's obligations to provide maintenance services on and warrant the Tyler Software Products shall be void.

b) Tyler shall provide telephone support on the Tyler Software Products. Tyler personnel will accept telephone calls during the hours of 5 AM PST and 6 PM PST, Monday through Friday, excluding holidays. Tyler Holidays are New Years' Day, Memorial Day, Independence Day, Labor Day, Thanksgiving (including the Friday after) and Christmas.

c) Tyler shall continuously maintain a master set of the Tyler Software Products on appropriate media, a hardcopy printout of source code to the Tyler Software Products, and Tyler user manuals.

d) Tyler shall maintain personnel appropriately trained to be familiar with the Tyler Software Products in order to provide maintenance services.

e) Tyler shall provide Client with all releases Tyler makes to the Tyler Software Products. Client acknowledges and agrees that a new release of the Tyler Software Products is for implementation in the Tyler Software Products as they exist without Client customization or modification.

f) Client acknowledges and agrees that Tyler reserves the right to cease supporting a prior release of the Tyler Software Products six (6) months after shipping a new release of the Tyler Software Products.

g) Tyler will provide Client three (3) business days notice prior to accessing Client network except insofar as said accessing is in connection with a Client request for support.

**5. Limitations and Exclusions.** Application Software Maintenance Fees do not include installation or implementation of the Tyler Software Products, onsite support (unless Tyler cannot remotely correct a defect in a Tyler Software Product), application design, other consulting services, support of an operating system or hardware, or support outside Tyler's normal business hours.

**6. Client Responsibilities.**

- a) Client shall provide, at no charge to Tyler, full and free access to the Tyler Software Products; working space; adequate facilities within a reasonable distance from the equipment; and use of machines, attachments, features, or other equipment necessary to provide maintenance services set forth herein.
- b) Client shall maintain for the duration of the Maintenance Agreement a VPN connection through Citrix or Microsoft Terminal Services. Tyler, at its option, shall use the connection to assist with problem diagnosis and resolution.

**7. Limitation of Liability.** In no event shall Tyler be liable for special, indirect, incidental, consequential, or exemplary damages, including, without limitation, any damages resulting from loss of use, loss of data, interruption of business activities, or failure to realize savings arising out of or in connection with the provision or quality of maintenance services or use of the Tyler Software Products. Tyler's liability for damages and expenses arising out of this Maintenance Agreement, whether based on a theory of contract or tort, including negligence and strict liability, shall be limited to the Application Software Maintenance Fees paid to Tyler during the twelve (12) months prior to the claim. Such Application Software Maintenance Fees reflect and are set in reliance upon this limitation of liability.

**Section D - Third Party Product Agreement**

**1. Agreement to License or Sell Third Party Products.** For the price set forth in Exhibit 1 - Investment Summary, Tyler agrees to license or sell and deliver to Client, and Client agrees to accept from Tyler the Third Party Products set forth in Exhibit 1 - Investment Summary ("Third Party Products").

**2. License of Third Party Software Products.**

- a) Upon Client's payment in full of the Third Party Product Fees, Tyler shall grant to Client and Client shall accept from Tyler a non-exclusive, nontransferable, non-assignable license to use the Third Party Software Products and related documentation for Client's internal business purposes, subject to the terms and conditions set forth herein.
- b) The developer of the Third Party Software Products (each a "Developer", collectively "Developers") shall retain ownership of the Third Party Software Products.
- c) The right to transfer the Third Party Software Products to a replacement hardware system is governed by the Developer. The cost for new media or any required technical assistance to accommodate the transfer would be billable charges to Client. Client shall provide advance written notice to Tyler of any such transfer.
- d) Client acknowledges and agrees that the Third Party Software Products and related documentation are proprietary to the Developer and have been developed as trade secrets at the Developer's expense. Client shall use best efforts to keep the Third Party Software Products and related documentation confidential and to prevent any misuse, unauthorized use, or unauthorized disclosure of the Third Party Software Products and related documentation by any party.
- e) Client shall not perform decompilation, disassembly, translation or other reverse engineering on the Third Party Software Products.
- f) Client may make copies of the Third Party Software Products for archive purposes only. Client will repeat any and all proprietary notices on any copy of the Third Party Software Products. Client may make copies of the documentation accompanying the Third Party Software Products for internal use only.

**3. Delivery.** Unless otherwise indicated in Exhibit 1 - Investment Summary, the prices for Third Party Products include costs for shipment while in transit from the Developer or supplier to Client.

**4. Installation and Acceptance.** Unless otherwise noted in Exhibit 1 - Investment Summary, the Tyler Software Product installation fee includes installation of the Third Party Products. Verification of the Tyler Software Products in accordance with Article 3 of Section A shall constitute Client's acceptance of the Third Party Products. Such acceptance shall be final and conclusive except for latent defect, fraud, and a gross mistake as amount to fraud.

**5. Site Requirements.** Client shall provide a suitable environment, location and space for the installation and operation of the Third Party Products; sufficient and adequate electrical circuits for the Third Party Products; and installation of all required cables.

**6. Warranties.**

- a) Tyler is authorized by each Developer to grant licenses or sublicenses to the Third Party Products.
- b) Tyler warrants that each Third Party Product shall be new and unused, and if Client fully and faithfully performs each and every obligation required of it under this Third Party Product Agreement, Client's title or license to each Third Party Product shall be free and clear of all liens and encumbrances arising through Tyler.
- c) Client acknowledges and agrees that Tyler is not the manufacturer of the Third Party Products. As such, Tyler does not warrant or guarantee the condition or operating characteristics of the Third Party Products. Tyler hereby grants and passes through to Client any warranty adjustments that Tyler may receive from the Developer or supplier of the Third Party Products.

**7. Maintenance.**

- a) In the event Client elects not to purchase through Tyler maintenance services on the Third Party Products, or such maintenance services are unavailable, it shall be the responsibility of Client to repair and maintain the Third Party Products and purchase enhancements as necessary after acceptance as set forth in Article 4 of Section D.
- b) In the event Client elects to purchase through Tyler maintenance services on the Third Party Products, Tyler will facilitate resolution of a defect in a Third Party Product with the Developer.
- c) In the event the Developer charges a fee for future Third Party Software Product release(s), Client shall be required to pay such fee.

**8. Limitation of Liability.** In no event shall Tyler be liable for special, indirect, incidental, consequential, or exemplary damages, including, without limitation, any damages resulting from loss of use, loss of data, interruption of business activities, or failure to realize savings arising out of or in connection with the use of the Third Party Products. Tyler's liability for damages and expenses arising out of this Third Party Product Agreement, whether based on a theory of contract or tort, including negligence and strict liability, shall be limited to the Third Party Product Fees set forth in Exhibit 1 - Investment Summary. Such prices are set in reliance upon this limitation of liability.

**Section E - General Terms and Conditions**

**1. Taxes.** The fees set forth in Exhibit 1 - Investment Summary do not include any taxes, including, without limitation, sales, use or excise tax. All applicable taxes shall be paid by Tyler to the proper authorities and shall be reimbursed by Client to Tyler. In the event Client possesses a valid direct-pay permit, Client will forward such permit to Tyler on the Effective Date of this Agreement, in accordance with Article 15 of Section F General Terms and Conditions. In such event, Client shall be responsible for remitting all applicable taxes to the proper authorities. If tax-exempt, Client shall provide Tyler with Client's tax-exempt

certificate.

## **2. Invoice Dispute.**

- a) In the event Client believes products or services do not conform to warranties in this Agreement, Client shall provide written notice to Tyler within fifteen (15) calendar days of receipt of the applicable invoice. Client is allowed an additional fifteen (15) calendar days to provide written clarification and details. Tyler shall provide a written response to Client that shall include either a justification of the invoice or an adjustment to the invoice. Tyler and Client shall develop a plan to outline the reasonable steps to be taken by Tyler and Client to resolve any issues presented in Client's notice to Tyler. Client may only withhold payment of the amount actually in dispute until Tyler completes its action items outlined in the plan. Notwithstanding the foregoing, if Tyler is unable to complete its actions outlined in the plan because Client has not completed its action items outlined in the plan, Client shall remit full payment of the invoice.
- b) Any invoice not disputed as described above shall be deemed accepted by Client. Tyler reserves the right to suspend delivery of all services in the event Client fails to pay an invoice not disputed as described above within sixty (60) calendar days of receipt of invoice.

**3. Force Majeure.** Neither party shall be liable for delays in performing its obligations under this Agreement to the extent that the delay is caused by force majeure.

Force majeure shall not be allowed unless:

- a) Within five (5) business days of the occurrence of force majeure, the party whose performance is delayed thereby shall provide the other party or parties with written notice explaining the cause and extent thereof, as well as a request for a time extension equal to the estimated duration of the force majeure events.
- b) Within ten (10) business days after the cessation of the force majeure event, the party whose performance was delayed shall provide the other party written notice of the time at which force majeure ceased and a complete explanation of all pertinent events pertaining to the entire force majeure situation.

Either party shall have the right to terminate this Agreement if Force Majeure suspends performance of scheduled tasks by one or more parties for a period of one hundred-twenty (120) or more days from the scheduled date of the task. This paragraph shall not relieve Client of its responsibility to pay for services and goods provided to Client and expenses incurred on behalf of Client prior to the effective date of termination.

## **4. Indemnification.**

- a) Subject to the limitation of liability set forth herein, Tyler shall indemnify and hold harmless Client and its agents, officials and employees from and against any and all claims, losses, liabilities, damages, costs and expenses (including reasonable attorney's fees and costs) arising from Tyler's negligence or willful misconduct. Tyler shall not be liable to the degree or extent of damages, loss, or expense determined to be the fault of the Client.
- b) Subject to the limitation of liability set forth herein, Client shall indemnify and hold harmless Tyler and its agents, officials and employees from and against any and all claims, losses, liabilities, damages, costs and expenses (including reasonable attorney's fees and costs) arising from Client's negligence or willful misconduct. Client shall not be liable to the degree or extent of damages, loss, or expense determined to be the fault of Tyler.

**5. Disclaimer.** THE RIGHTS, REMEDIES, AND WARRANTIES SET FORTH IN THIS AGREEMENT ARE EXCLUSIVE AND IN LIEU OF ALL OTHER RIGHTS, REMEDIES, AND WARRANTIES EXPRESSED, IMPLIED, OR STATUTORY, INCLUDING, WITHOUT LIMITATION, THE WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AND SYSTEM INTEGRATION, WHICH ARE HEREBY DISCLAIMED BY TYLER.

**6. Dispute Resolution.** Should a dispute arise with respect to this Agreement, Client will notify Tyler immediately in writing. If Tyler and Client cannot resolve a dispute within thirty (30) calendar days

following notification in writing by either party of the existence of said dispute, then the following procedure shall apply:

a) Each party shall appoint one (1) person to act as an impartial representative. The appointed individual shall be of sufficient knowledge and experience to understand and deal with the dispute but shall not be a person assigned to the project. The set of four (4) individuals consisting of Tyler's Project Manager for this project, Client's Project Manager for this project, and the two (2) appointees is called a Dispute Resolution Group.

b) The Dispute Resolution Group shall convene no later than twenty-one (21) calendar days after the expiration of the thirty (30) calendar day period referenced above and shall meet for a minimum of four (4) four (4) hour sessions during the subsequent four (4) business days, unless otherwise mutually agreed. Any resolution shall be in writing and signed by both parties. Such resolution shall constitute a binding amendment to the Agreement.

In the event the Dispute Resolution Group fails to resolve the dispute as set forth above, the dispute will be referred to non-binding mediation. Thereafter, either party may assert its other rights and remedies under this Agreement within a court of competent jurisdiction.

Nothing in this Section shall prevent a party from applying to a federal or state court of competent jurisdiction to obtain injunctive relief pending resolution of the dispute through the dispute resolution procedures set forth herein.

**7. No Intended Third Party Beneficiaries.** This Agreement is entered into solely for the benefit of Tyler and Client. No third party shall be deemed a beneficiary of this Agreement, and no third party shall have the right to make any claim or assert any right under this Agreement.

**8. Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the Client's state of domicile.

**9. Entire Agreement.** This Agreement represents the entire agreement of Client and Tyler with respect to the subject matter hereof, and supersedes any prior agreements, understandings, and representations, whether written, oral, expressed, implied, or statutory. Client hereby acknowledges that in entering into this Agreement it did not rely on any information not explicitly set forth in this Agreement.

**10. Severability.** If any term or provision of this Agreement or the application thereof shall, to any extent, be invalid or unenforceable, the remainder of this Agreement or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby, and each term and provision of this Agreement shall be valid and enforced to the fullest extent permitted by law.

**11. Modification.** This Agreement may only be modified by written amendment signed by authorized representatives of both parties.

**12. Termination.**

a) **Termination for Convenience.** In the event of Client's termination of this Agreement for convenience, Client shall provide Tyler with thirty (30) days' advance written notice of Client's intent to terminate this Agreement. Client shall pay Tyler for products, services and expenses delivered or incurred prior to the date Tyler received Client's notice of termination.

b) **Termination for Cause.** In the event of Tyler's failure to perform under this Agreement, Client shall immediately notify Tyler in writing of such failure and allow Tyler a thirty (30) day period in which to cure such failure. If, at the end of the cure period, Tyler has not cured such failure, Client will have the right to terminate this Agreement. Upon such termination, Client shall pay Tyler for all products, services, and

expenses not in dispute which were delivered or incurred prior to the date Tyler received Client's notice of termination. Payment for products, services, and expenses in dispute will be determined in accordance with the dispute resolution process.

**13. Approval of Governing Body.** Client represents and warrants to Tyler that this Agreement has been approved by its governing body and is a binding obligation upon Client.

**14. No Assignment.** Neither party may assign an award or the mutually negotiated contract without the prior written consent of the other party, except that Tyler may, without the prior written consent of the SANBAG, assign the award or the mutually negotiated contract in its entirety to the surviving entity of any merger or consolidation or to any purchaser of substantially all of Tyler's assets.

**15. Notices.** All notices or communications required or permitted as a part of this Agreement shall be in writing (unless another verifiable medium is expressly authorized) and shall be deemed delivered when:

- a) Actually received,
- b) Upon receipt by sender of a certified mail, return receipt signed by an employee or agent of the party,
- c) Upon receipt by sender of proof of email delivery, or
- d) If not actually received, ten (10) days after deposit with the United States Postal Service authorized mail center with proper postage (certified mail, return receipt requested) affixed and addressed to the respective other party at the address set forth in this Agreement or such other address as the party may have designated by notice or Agreement amendment to the other party.

Consequences to be borne due to failure to receive a notice due to improper notification by the intended receiving party of a new address will be borne by the intended receiving party. The addresses of the parties to this Agreement are as follows:

Tyler Technologies, Inc.  
370 U.S. Route 1  
Falmouth, ME 04105  
Attention: Contracts Manager

Client: San Bernardino Associated Governments  
1170 W. 3rd Street, 2nd Floor  
San Bernardino, CA. 92410-1715  
Attention: Chief Financial Officer

**16. Independent Contractor.** This is not an Agreement of partnership or employment of Tyler or any of Tyler's employees by Client. Tyler is an independent contractor for all purposes under this Agreement.

**17. Insurance.** Prior to performing services under this Agreement, Tyler shall provide Client with certificates of insurance evidencing the following insurance coverage:

- a) Commercial general liability of at least \$1,000,000;
- b) Automobile liability of at least \$1,000,000;
- c) Professional liability of at least \$1,000,000;
- d) Workers compensation complying with statutory requirements and Employer's Liability Insurance of at least \$1,000,000; and
- e) Within forty five (45) days of the execution date of this Agreement, Tyler will provide Client with original certificates and additional insured endorsements evidencing the coverage required by this Agreement, for both commercial general and automobile liability, and shall name San Bernardino Associated Governments, its officers, employees and agents as additional insured.

**18. Confidentiality.** Both parties recognize that their respective employees and agents, in the course of performance of this Agreement, may be exposed to confidential information and that disclosure of such information could violate rights to private individuals and entities. Each party agrees that it will not disclose any confidential information of the other party and further agrees to take appropriate action to prevent such disclosure by its employees or agents. The confidentiality covenants contained herein shall survive the



termination or cancellation of this Agreement for a period of two (2) years. This obligation of confidentiality shall not apply to information that:

- a) At the time of the disclosure is in the public domain;
- b) After disclosure, becomes part of the public domain by publication or otherwise, except by breach of this Agreement by a party;
- c) A party can establish by reasonable proof was in that party's possession at the time of disclosure;
- d) A party receives from a third party who has a right to disclose it to that party; or
- e) Is subject to Freedom of Information Act or California Public Records Act requests, only to the extent disclosure is based on the good faith written opinion of the receiving party's legal counsel that disclosure is required by law: provided, however, that that receiving party shall give prompt notice of the service of process or other documentation that underlies such requirement and use its best efforts to assist the disclosing party if the disclosing party wishes to obtain a protective order or otherwise protect the confidentiality of such confidential information. The disclosing party reserves the right to obtain protective order or otherwise protect the confidentiality of its confidential information.

**19. Nondiscrimination.** Tyler shall not discriminate against any person employed or applying for employment concerning the performance of Tyler's responsibilities under this Agreement. This discrimination prohibition shall apply to all matters of initial employment, tenure, and terms of employment, or otherwise with respect to any matter directly or indirectly relating to employment concerning race, color, religion, national origin, age, sex, sexual orientation, ancestry, disability that is unrelated to the individual's ability to perform the duties of a particular job or position, height, weight, marital status, or political affiliation.

**20. Subcontractors.** Tyler shall not subcontract any services under this Agreement without Client's prior written permission, not to be unreasonably withheld.

**21. Non-appropriation.** If Client should not appropriate or otherwise make available funds sufficient to purchase, lease, operate or maintain the products set forth in this Agreement, or other means of performing the same functions of such products, Client may unilaterally terminate this Agreement only upon thirty (30) days written notice to Tyler. Upon termination, Client shall remit payment for all products and services delivered to Client and all expenses incurred by Tyler prior to Tyler's receipt of the termination notice.

**22. Shipping.** Delivery shall be F.O.B. shipping point.

**23. Payment Terms.**

- a) Client will pay \$37,800 upon execution of this Agreement. Such amount equals 25% of the Application Software License Fees.
- b) Client will pay \$75,600 upon delivery of the software products. Such amount equals 50% of the Application Software License Fees (\$75,600).
- c) Client will pay \$37,800 that equals 25% of the Application Software License Fees upon verification of the Tyler Software Products in accordance with Article 3 of Section A. Unless the Tyler Software Products fail verification, this period shall not exceed ninety (90) days after delivery.
- d) Exhibit 1 – Investment Summary includes estimated travel expenses, subject to Article 2(e) of Section B.
- e) Training & Installation, Data Conversion, Project Management, and Other Professional Services, plus expenses, are billed, if provided/incurred, on a monthly basis, and are due and payable thirty (30) days after receipt of invoice. Notwithstanding the foregoing, Client will retain the following Service fees: first fifteen (15) of the Training service days as set forth in the Investment Summary (\$15,000) provided to Client are payable on the earlier of one hundred twenty (120) days from the date set forth in the Project Plan for the live production of the Tyler Software Products set forth in the Investment Summary or thirty (30) days from the date of live production of the Tyler Software Products set forth in the Investment Summary provided that action or inaction on the part of Tyler does not cause a delay in Implementation activities as agreed upon in

the Project Plan. In the event that Tyler does cause such delay and said delay is greater than ninety (90) days, Client may delay payment of the Service fees per this section until Tyler ceases to be the cause of such delay.

f) The Year 1 Maintenance Fees of \$37,240 are due thirty (30) calendar days after the first day of training, by module. Tyler will prorate Year 1 Maintenance Fees, by module, from thirty (30) calendar days after the first day of training through the end of the calendar year in which said training begins. Subsequent year's Maintenance Fees will be due and payable January 1 of each calendar year. Tyler agrees to limit increases in annual Maintenance fees to 5% per year for the first four (4) years.

IN WITNESS WHEREOF, persons having been duly authorized and empowered enter into this Agreement.

**Tyler Technologies, Inc.**

**San Bernardino Associated Governments**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: Richard E. Peterson, Jr.

Name: Gary C. Ovitt

Title: President – FMS Division

Title: President

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**Approved to as to Form for  
San Bernardino Associated Governments**

By: \_\_\_\_\_

Name: Jean-Rene Basle

Title: SANBAG Counsel

Date: \_\_\_\_\_

## Exhibit 1 – Investment Summary

Products and Services	Application Software License/Fee	Training & Installation Hours	Data Conversion Hours	Professional Service Fee	Estimated Travel Expenses	Total One Time Fees (Estimated)	Yearly Application Software Maintenance/Fees
<b>TYLER (EDEN) SOFTWARE PRODUCTS</b>							
<b>EDEN FINANCIAL APPLICATIONS</b>							
General Ledger / Accounts Payable / Purchasing	\$32,100	112.0	56.0	\$21,000.00	\$4,900.00	\$58,000.00	\$6,420.00
Advanced Budgeting	\$13,800	32.0	8.0	\$5,000.00	\$1,700.00	\$20,500.00	\$2,760.00
Requisitioning	\$6,900	16.0		\$2,000.00	\$850.00	\$9,750.00	\$1,380.00
Project Accounting	\$21,100	104.0	72.0	\$22,000.00	\$2,700.00	\$45,800.00	\$4,220.00
Fixed Assets	\$12,900	48.0	32.0	\$10,000.00	\$2,200.00	\$25,100.00	\$2,580.00
Accounts Receivable	\$12,900	48.0	32.0	\$10,000.00	\$2,200.00	\$25,100.00	\$2,580.00
Contract Management	\$10,600.00	32.0		\$4,000.00	\$1,350.00	\$15,950.00	\$2,120.00
<b>EDEN PERSONNEL APPLICATIONS</b>							
Human Resources	\$3,800.00	32.0	16.0	\$6,000.00	\$1,350.00	\$11,150.00	\$760.00
Payroll	\$10,400.00	120.0	40.0	\$20,000.00	\$5,150.00	\$35,550.00	\$2,080.00
Position Budgeting	\$3,700.00	16.0		\$2,000.00	\$500.00	\$6,200.00	\$740.00
<b>OTHER TYLER (EDEN) SOFTWARE PRODUCTS</b>							
Report Views (SQL) Data Dictionaries	\$5,000.00					\$5,000.00	\$1,000.00
Tyler Standard Forms	\$9,600.00					\$9,600.00	\$1,920.00
Tyler Output Processor	\$8,400.00	16.0		\$2,000.00		\$10,400.00	\$1,680.00
<b>OTHER EDEN PROFESSIONAL SERVICES</b>							
System Administration		24.0		\$3,000.00		\$3,000.00	
<b>OPTIONAL PROFESSIONAL SERVICES</b>							
Chart of Accounts Consultation		40.0		\$5,000.00	\$1,600.00	\$6,600.00	
On-Sight Data Review			24.0	\$3,000.00	\$1,100.00	\$4,100.00	
Senior Mgmt. / End-User Training		80.0		\$10,000.00	\$3,200.00	\$13,200.00	
EDEN Support Plus / Progress Training							\$7,000.00
<b>SANBAG CUSTOMIZATIONS / MODIFICATIONS</b>							
EMACS Import/ Export Customization				\$3,000.00		\$3,000.00	
Proration of Project Hours				\$5,000.00		\$5,000.00	
Contracts Tab - Invoice Detail Modification				\$4,000.00		\$4,000.00	
Customized Crystal Reports (Measure I)		80.0		\$10,000.00		\$10,000.00	
<b>THIRD PARTY SERVICES</b>							
Crystal Beginner Classes		32.0		\$4,000.00	\$1,350.00	\$5,350.00	
<b>TOTAL(S)</b>	<b>\$151,200.00</b>	<b>832</b>	<b>280</b>	<b>\$151,000.00</b>	<b>\$30,150.00</b>	<b>\$332,350.00</b>	<b>\$37,240.00</b>

- EDEN Support Plus includes one (1) paid registration for Tyler's EDEN User Conference (including pre-conference) and one of the following three (3) options: (i) four (4) on-site service days (including all ordinarily related expenses); (ii) six (6) off-site service days (e.g. training, programming, or report creation) or (iii) four (4) off-site service days and reasonable hotel and airfare expenses paid in connection with the one (1) User Conference registration.
- Note: Total Standard and Advanced On-Sight Training hours for Base Modules 832 hours; this total does NOT include Support Plus/ Progress Training Days.

**SUBTOTAL BASELINE PRODUCTS AND SERVICES: \$369,590**

Optional Products and Services	Application Software License Fees	Estimated Training & Installation Hours	Estimated Data Conversion Hours	Estimated Professional Service Fees	Estimated Travel Expenses	Total One Time Fees (Estimated)	Yearly Application Software Maintenance Fees
<b>EDEN FINANCIAL APPLICATIONS</b>							
Web-Extensions - Contract Management	\$6,300.00					\$6,300.00	\$1,575.00
<b>OTHER TYLER (EDEN) SOFTWARE PRODUCTS</b>							
Tyler Operational Intelligence	\$14,300.00	32		\$4,000.00	\$1,350.00	\$19,650.00	\$2,860.00
Tyler Content Manager	\$11,250.00	16		\$2,000.00		\$13,250.00	\$2,250.00
<b>OTHER EDEN PROFESSIONAL SERVICES</b>							
Web Install & Setup		8		\$1,000.00		\$1,000.00	
Web E-Commerce Setup		8		\$1,000.00		\$1,000.00	
Disaster Recovery Services							\$9,310.00
<b>SANBAG CUSTOMIZATIONS / MODIFICATIONS</b>							
Data Export (XML or Excel) Into MS Project or Primavera				\$10,000.00		\$10,000.00	
<b>THIRD PARTY PRODUCTS</b>							
Crystal Reports - Intermediate Class Financials		32		\$4,000.00	\$1,350.00	\$5,350.00	
<b>SANBAG Contingency for Products or Services</b>						\$20,000.00	
<b>Totals</b>	<b>\$31,850.00</b>	<b>96</b>		<b>\$22,000.00</b>	<b>\$2,700.00</b>	<b>\$76,550.00</b>	<b>\$15,995.00</b>

Note: Pricing and Fees for Optional Products are valid only for twelve (12) months from the Effective Date of the Agreement

SUBTOTAL OPTIONAL PRODUCTS AND SERVICES: \$92,545

TOTAL CONTRACT AMOUNT: \$462,135

## Exhibit 2 – Verification Test

The Verification Test will be conducted after the Tyler Software Products are installed and before they are implemented. The Verification Test is performed using the Tyler sample database. Such database contains general information applicable to all Tyler clients. As such, the Verification Test will not demonstrate Client-specific functionality. Rather, the Verification Test will confirm that the Tyler Software Products are installed and performing baseline functions.

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**Client: San Bernardino Associated Governments**

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**Contact:**

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**Date:**

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### Financial Products

1. View general ledger accounts form (Initial) \_\_\_\_\_
2. View budget documents
3. View accounts payable vendor form
4. Find purchase orders in purchase order inquiry
5. View inventory item form
6. View fixed assets form
7. View projects form
8. View accounts receivable customers form

### Customer Information System Products

1. View fee schedule with rate tables (Initial) \_\_\_\_\_
2. View utility billing account form
3. View utility billing customer form
4. View parcels form
5. View license form
6. View permits form

### Personnel Products

1. View employee form (Initial) \_\_\_\_\_
2. View position form
3. View deduction codes
4. View pay type codes
5. View shift calendars

### **Exhibit 3 – Business Travel Policy**

#### **Airfare**

All airfare will be booked Economy Class, with best efforts to make reservations 2 – 4 weeks in advance for best pricing. All air tickets will be booked “non refundable” to minimize ticket costs. If change fees or other additional charges are incurred as a result of Client rescheduling, cancellations, or other factors that impact the planned dates for a trip, the Client will be billed for those charges.

#### **Airport Parking**

Client is billed for the cost of on-airport long term parking costs incurred while staff is traveling to client site.

#### **Mileage**

##### **Federal Government Rate**

Tyler employee mileage to the airport, train terminal, etc. for the client trip will be billed at the IRS designated reimbursement rate per mile. Actual mileage for the employee travel to the site will be billed at the IRS rate if not traveling by air, rail, etc.

#### **Airport Shuttle**

If Tyler employee uses the service of an airport shuttle, this amount will not exceed the standard rate for airport parking (as noted above) plus mileage to and from the airport.

#### **Car Rental**

Tyler has negotiated rates with national automobile rental companies to minimize car rental fees. Actual cost of car rental, taxes, refueling costs etc. will be billed to the Client.

#### **Hotel/Motel**

Tyler employees will stay at medium-class hotels/motels (less than 4 stars) when available. 4 or 5 Star hotels/motels may be selected if, during promotional times, prices can be negotiated at rates similar to 3 star facilities.

#### **Meals**

Federal daily per diem rate for Client location will apply. Per Diem will include travel time to and from the Client location.

#### **Miscellaneous**

All direct expenses not included above will be billed to the Client. This includes but is not limited to such items as internet connectivity (if not included free in the cost of hotel) and any other incidentals such as copies, supplies, road tolls, local parking fees, etc. directly related to time spent on site.

## Exhibit 4 – Data Conversion Process

### *Conversion Assistance*

Tyler will generally convert relevant and useful data from a client's legacy system as a part of the conversion/installation process. The Investment Summary contains an estimated cost for the project. This estimate is based on Tyler's experience in performing similar successful data conversions over the past twenty years. Client will be billed for actual conversion services provided by Tyler.

Tyler has developed the following proven strategy for converting data from legacy systems into Tyler's database structure.

- A project coordinator is assigned to Client once the Agreement is executed.
- The project coordinator works with Client to schedule consultation meetings (or site visits if necessary) in accordance with the data conversions for each module.
- Tyler provides detailed conversion data specification documents to Client's technical staff.
- Tyler's conversion specialists consult with Client's technical staff and provide file specifications to enable Client's technical staff to prepare and provide the conversion data in the necessary format. If requested by Client, Tyler will determine if Tyler can gather the data itself and assist in converting it into Tyler's data specifications (referred to as a start-to-finish conversion for an additional fee). Otherwise, Tyler's standard conversion method requires Client to provide Tyler with the extract of the required data in accordance with Tyler's data specifications and in the technical format specified below. Data must be "in balance" in order to proceed with the conversion process.
- Client provides Tyler with the first instance of data on or before a scheduled date. Tyler inspects and verifies the accuracy of the data. Data may require additional "clean-up" by Tyler's technical staff or Tyler may require Client to provide Tyler with new data files. Once the data is considered accurate, Tyler converts the data into Tyler's database schema. This is typically done using conversion programs written and maintained by Tyler's technical staff.

- Depending on the accuracy and conformance of the data provided by Client, Tyler may repeat the conversion process up to two times, in order to provide accurate and balanced data before Client uses the Tyler Software Products in live production. On the more complicated Tyler Software Products, Tyler typically plan for an initial conversion to be aligned with the “set up” of the Tyler Software Product, refinement of the conversion during system testing, and then a final conversion for parallel processing and use of the Tyler Software Product in live production.
- During the entire process, a Tyler conversion specialist is assigned to each Tyler Software Product that is receiving converted data. This person will be responsible for working with Client to analyze and convert data, support Tyler’s Implementation Consultant while on-site, and fix data problems using the available tools. Once Client uses the Tyler Software Products in live production, Client is officially transitioned to Tyler’s Technical Support organization.

### **File Formats**

There will typically be multiple conversion files for each module. Conversion import files may be provided in one of the following formats: 1) ASCII pipe “|” delimited text file, 2) Non Formatted Microsoft Excel Worksheet, or 3) Microsoft Access database.

The import files must adhere to the following characteristics:

- ASCII character content: The data must contain only printable ASCII characters. Control characters, non-printable characters, or “packed” data fields are not allowed.
- One record per line or row: Each line or row constitutes a single record or row of data.

#### **ASCII Pipe Delimited Text File:**

Data may be provided as ASCII pipe delimited text files with variable length data separated by a “|” (“pipe”) character. Variable length records contain fields that are only as wide as the data requires (there are no leading or trailing spaces between data in each field). Files should be stored using the “.txt” file extension. Fields containing a Null value should have two adjacent pipe delimiter characters “||” representing the start of the current field and the start of the next field; it is not necessary to fill the field with spaces.

#### **Microsoft Excel Worksheet:**

Data may be provided as a Microsoft Excel Worksheet with one worksheet representing one conversion file. All conversion files may be stored in one Microsoft Excel file as separate worksheets in the same “.xls” file extension. Worksheets cannot contain macros or data links. Each worksheet must adhere to the file specifications with the first row containing the header column information and each subsequent row representing one record of data.



### Microsoft Access Database:

Data may be provided as a Microsoft Access Database with each conversion file defined as a separate table. Table names should adhere to the file names minus the “.txt” extension. Upon request, a Microsoft Access Database may be supplied with all conversion tables pre-defined.

### Assumptions

The conversion service fees listed in the Investment Summary are based upon the following assumptions:

- The conversion estimate includes conversion of financial data for one client. The conversion includes the current and previous fiscal year for each Tyler Software Product, unless otherwise noted.
- Client is responsible for extracting the “convert-from” data files from its systems, formatting it into Tyler’s provided data specifications, and providing it in one of the acceptable technical formats.
- Tyler will convert the chart of accounts, organization titles, funds, account balances, account activity on both an annual and per-period basis for every fiscal year converted, including budgets.
- For the accounts payable/purchasing conversion, Tyler will convert vendor and vendor balance information, and outstanding check history
- Purchase orders, outstanding invoices, security setups, requisition queues, requisitions, vendor ship-to, and vendor bill-to addresses are not included in the standard general ledger/accounts payable/purchasing conversion.
- The conversion estimate for accounts receivable includes conversion of accounts receivable customer identifying information (customer number, name, addresses, and billing codes) and current accounts receivable open items (customer number, account number, due date, amount owed). The accounts receivable conversion does not include history.
- The conversion estimate for project/grant accounting includes conversion of the project strings, materials history, labor history, and project balances. This conversion includes up to five fiscal years of project accounting data.
- The conversion estimate for fixed assets includes conversion of fixed asset number and type, depreciation information, distribution information, asset class information, and improvement information.
- The payroll/position control conversion estimate includes conversion of payroll data for one client. For the payroll conversion, Tyler will convert employee and position information, grade and step tables, employee benefit and deduction information, direct deposit accounts, employee leave balances, and the current year’s employee paycheck history. Previous year’s payroll check history, job costing numbers, and job costing history, are not included in the standard payroll/position control conversion.

## Exhibit 5 - Customizations/ Modifications Detail

### *I. EMACS Import/ Export Customization*

Our Cost Estimate includes the following option for the EMACS Import/ Export Customization:

Option 1 - Enter time in EDEN Payroll, SANBAG would then export that time (would need a custom report developed by EDEN – currently EMACS only accepts employee, hours and hour type, no accounting or project info) to EMACS; EMACS would process their payroll and provide a “Gross to Net” report back to SANBAG. SANBAG then reviews the report to see if EMACS added any new deductions, changed any benefit calculations, processed salary changes, etc – SANBAG would then make those changes in EDEN and process payroll in EDEN (everything except printing the checks). Before posting SANBAG would review the monthly FAS Report from EMACS to make sure that all the accounting is the same then post payroll (probably for a month at a time).

Along with the development work described above the following modification would be needed:

#### *Proration of Project Hours during Payroll Posting - Estimated*

The documentation below outlines the work to be done and the specifications of such work.

Tyler will modify the EDEN payroll posting process to prorate the hours assigned to projects based on the following rules:

1. The proration will only occur if the employee is salaried.
2. The proration will occur at the appointment since activity (timesheet) entry is generated by appointment.
3. The proration will occur only for scheduled base hours.
4. The proration rules will apply globally to all employees and appointments.
5. If the total base hours entered in activity (timesheet) entry is greater than the scheduled base hours for the appointment then those hours will be prorated.
  - a. Example 1:
    - b. Assume appointment scheduled base hours = 80 hours.
    - c. 75 base hours were entered to project A and 25 to project B.
      - i. Results: During payroll posting Project A would be assigned 60 hours and project B would be assigned 20 hours.
        1.  $(75/(75+25))*80(\text{base hours}) = 60$
        2.  $(25/(75+25))*80(\text{base hours}) = 20$
  6. If the employee is salaried and activity (timesheet) entry is required then SANBAG will need to decide whether the proration will occur. This decision will not affect the cost of the modification.
    - a. Example 2:

- b. Assume activity (timesheet) entry is required.
- c. Assume appointment scheduled base hours = 80 hours.
- d. 75 base hours were entered to project A and 25 to project B.
  - i. Results: During payroll posting with no proration
    - 1. Project A would be assigned 75 hours and project B would be assigned 25 hours.
  - ii. Results: During payroll posting with proration
    - 1. Project A would be assigned 60 hours and project B would be assigned 20 hours.

## ***II. Data Export (XML or Excel) into MS Project or Primavera***

Potential Export Information:

- Expenditure tracking by project task
- Hours staff spends on the project
- Start & end dates

## ***III. Contracts Tab - Invoice Detail Modification***

Contracts tab Invoice Detail (shows total and retainage amounts ... needs to show net) SANBAG would like to actually see this on the screen, not just in a report. Maybe show the "amount paid" with the total at the bottom of the screen.

## ***IV. Custom Crystal Reports***

As discussed in our Discovery Meeting yesterday, there may be a need during the implementation to create some custom Crystal Reports; we have included \$ 10,000 for reports needed by SANBAG. As mentioned in our discussion, all custom reports would need to be reviewed and defined before we can provide accurate estimates. Note: The \$10,000 fee includes up to eight (8) days worth of development work at current rates.

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- San Bernardino County Transportation Commission ■ San Bernardino County Transportation Authority  
■ San Bernardino County Congestion Management Agency ■ Service Authority for Freeway Emergencies
- 

## *Minute Action*

AGENDA ITEM: 7c

**Date:** August 13, 2008

**Subject:** Memorandum of Understanding (MOU) with the County of San Bernardino for project management services to assist with the Implementation of a Financial Management Software System (FMSS).

**Recommendation:\*** Approve MOU No. C09-054 with the County of San Bernardino, to provide project management support for the development and implementation of the SANBAG FMSS, in an amount not-to-exceed \$257,400 for a 20 month period, as outlined in Financial Impact Section below.

**Background:** The transition to the new financial system will require daily oversight of the selected vendor, coordination with 50 staff and SANBAG contractors, detailed documentation of the process, as well as review and possible modifications of internal procedures to compliment the new system. The development and implementation will be extremely resource intensive and the day-to-day management is beyond the current SANBAG staffing resources. There are certain SANBAG Staff with the expertise and knowledge to perform these duties; however, given that this will be nearly a full-time job for a minimum of one year, these Staff does not have available time to take on this critical additional workload.

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*Approved*  
*Administrative Committee*

*Date:* \_\_\_\_\_

*Moved:* \_\_\_\_\_ *Second:* \_\_\_\_\_

*In Favor:* \_\_\_\_\_ *Opposed:* \_\_\_\_\_ *Abstained:* 0

*Witnessed:* \_\_\_\_\_

To assure that this transition is done smoothly, and so as not to burden existing Staff, SANBAG initiated a discussion with the County of San Bernardino's Information Services Department's Application Development Division as to possible resources in assisting SANBAG. The discussions began with Mr. Bruce Henson (Team Leader) who also participated on SANBAG's Evaluation Committee in the selection of the FMSS vendor. The recommended Project Manager is Ms. Ruth Von Hatten, who has extensive experience in software implementation and whose area of interest is with Finance/Accounting software implementation. Please refer to the attached MOU, which includes a scope of work for these services, as well as Ms. Von Hatten's resume.

Ms. Von Hatten will work on-site at SANBAG and provide these services on average 30 hours per week during the initial implementation. It is anticipated that there will a month will be used to ramp up/prepare for the implementation, and a month to close out the project. Her hours will fluctuate based on project need and will be reduced over time as the project is nearing completion. She will report to the Director of Management Services and her hours and schedule will be based on project need and is at the discretion of SANBAG. Based on the current schedule, the critical financial and accounting modules will be operational by July 1, 2009. As refinements are needed and additional modules are implemented, Ms. Von Hatten's services will continue on into Fiscal Year (FY) 2009/2010.

Staff pursued contracting these services through private sector companies but the rates were much higher (\$125 to \$150 per hour plus travel/expenses). Ms. Von Hatten is very qualified to provide these services and will assist SANBAG in assuring a smooth transition to the new system.

**Financial Impact:** The MOU shall not exceed \$257,400 for the 20 month period. FY 2008/2009 expenses are estimated to be \$154,440 and are included in the current Budget, Task Number IAM09 - funding source: Indirect. The balance will be budgeted in during the FY 2009/2010 Budget process.

**Reviewed By:** This item will be reviewed by the Administrative Committee at its August 13, 2008 meeting. The Contract has been reviewed as to form by SANBAG Legal Counsel.

**Responsible Staff:** Michelle Kirkhoff, Director of Air Quality/Mobility Programs  
Bill Stawarski, Chief Financial Officer

**SANBAG Contract No. C09-054**

by and between

San Bernardino Associated Governments

and

County of San Bernardino

for

Project Management Services for the Implementation of Financial Management System**FOR ACCOUNTING PURPOSES ONLY**

<input checked="" type="checkbox"/> Payable	Vendor Contract # _____	Retention:	<input checked="" type="checkbox"/> Original
<input type="checkbox"/> Receivable	Vendor ID <u>SBCOISD</u>	<input type="checkbox"/> Yes ____ % <input checked="" type="checkbox"/> No	<input type="checkbox"/> Amendment

Notes:

Original Contract: \$ <u>\$223,808</u>	Previous Amendments Total: \$ _____
	Previous Amendments Contingency Total: \$ _____
Contingency Amount: \$ <u>33,592</u>	Current Amendment: \$ _____
	Current Amendment Contingency: \$ _____

Contingency Amount requires specific authorization by Task Manager prior to release.

**Contract TOTAL →** \$ 257,400

↓ Please include funding allocation for the original contract or the amendment.

Task	Cost Code	Funding Sources	Grant ID	Amounts
IAM09	5553	Indirect	N/A	\$ 254,030

Original Board Approved Contract Date: <u>9/3/08</u>	Contract Start: <u>9/7/08</u>	Contract End: <u>5/1/09</u>
New Amend. Approval (Board) Date: _____	Amend. Start: _____	Amend. End: _____

**If this is a multi-year contract/amendment, please allocate budget authority among approved budget authority and future fiscal year(s)-unbudgeted obligations:**

<b>Approved Budget Authority →</b>	Fiscal Year: <u>08/09</u> \$ <u>154,440</u>	<b>Future Fiscal Year(s) – Unbudgeted Obligation →</b>	\$ <u>102,960</u>
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Is this consistent with the adopted budget? ☒ Yes ☐ No  
If yes, which Task includes budget authority? IAM09  
If no, has the budget amendment been submitted? ☐ Yes ☐ No

**CONTRACT MANAGEMENT****Please mark an "X" next to all that apply:**☒ Intergovernmental ☐ Private ☐ Non-Local ☐ Local ☐ Partly LocalDisadvantaged Business Enterprise: ☒ No ☐ Yes \_\_\_\_%

Task Manager: Director of Management Services	Contract Manager: Director of Management Svc.
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Task Manager Signature

Date 8/6/08

Contract Manager Signature

Date 8/6/08

Chief Financial Officer Signature

Date

Filename: C09054

**MOU – FMSS Implementation Project  
SANBAG & Information Services Department**

**MEMORANDUM OF UNDERSTANDING  
Financial Management Software System  
Project Management Implementation Assistance  
August 4, 2008**

**Executive Overview**

The San Bernardino Associated Governments (SANBAG) requests consulting services in the form of project management expertise from the Information Services Department (ISD) of the County of San Bernardino to assist with the implementation of a Financial Management Software System (FMSS). This MOU describes the scope of work, timeline and projected budget required for this consulting engagement.

**Project Background**

An evaluation committee consisting of members from SANBAG, the Riverside County Transportation Commission (RCTC), the County of San Bernardino's Information Services Department, and the Civic Resource Group reviewed proposals submitted by four vendors and selected a short list of two vendor products. After further review, vendor demos and reference checks, the evaluation committee selected the EDEN Financial Management Solution from Tyler Technologies as the new FMSS for SANBAG, pending approval of the Governing Board. Based on discussions with other customers and concerns about staff availability within SANBAG, a decision was reached to temporarily augment SANBAG's staff with an experienced project manager for the duration of this implementation.

**Resource Request**

SANBAG contacted ISD to discuss resource requirements for this FMSS implementation project. SANBAG requested an on-site resource that would take primary project direction from SANBAG's Director of Management Services (DMS) and provide local project management support for this implementation. On July 22, 2008 ISD provided the resume for a project manager from the Application Development Division for review. A short series of follow-up conference calls and on-site meetings were conducted to further discuss the specifics of this consulting engagement. During these discussions, SANBAG provided ISD with a proposed scope of work, included herein.

**Scope of Work**

The general duties required during this consultative engagement include project management and implementation oversight for the EDEN Financial Management System from Tyler Technologies. The ISD resource will report to SANBAG's Director of Management Services (DMS) and will conduct the majority of project activities on-site at SANBAG. The resource is expected to work an average of 30 hours per week on this project, at the discretion of SANBAG. The DMS will provide ISD with written documentation for any requested reductions of more than 5 hours from this average, including: the reason for the reduction, the amount of reduction, the planned duration of the reduction and any expected impact to the project plan for the reduced average hours. If the project manager believes the reduction of hours will adversely affect the project plan, the project manager and their supervisor will provide the DMS with a document describing the expected impact to the project. The ISD resource will work a 9/80 schedule with the second Friday of the pay period off. The duties for the Financial System Implementation Project Manager include, but are not limited to:

**MOU – FMSS Implementation Project  
SANBAG & Information Services Department**

1. Provide project management assistance to oversee the development and implementation process of the FMSS, in conjunction with SANBAG staff and other SANBAG consultants.
2. Oversee vendor contract and deliverables during development and implementation.
3. Coordinate with SANBAG staff and SANBAG contractors related to FMSS project oriented needs such as product installation, network accessibility, documentation and product training.
4. Coordinate resolution to critical issues by documenting vendor provided recommendations related to but not limited to security, system availability/redundancy, disaster recovery, desk procedures, project controls and related issues.
5. Monitor project activities and resources to mitigate risk.
6. Implement and maintain quality assurance processes.
7. Recommend/implement improvements, solve problems, and take corrective action when problems arise.
8. Participate in phase, milestone and final project reviews.
9. Review existing product documentation and develop recommended policies and procedures which are specific to SANBAG operations, for SANBAG Management review and approval.
10. Provide status reports to DMS and SANBAG Management on an on-going basis as needed/required.
11. Conduct presentations or briefings on all aspects of the project.
12. As needed, make staffing recommendations to support product implementation and/or long term product support. Expenses for additional staffing are not included in this MOU. In the event these resources need to be supplied by ISD, a new MOU will be required.

**Duration of Engagement**

The vendor's initial high level plan projected a phased implementation over a period of eighteen months. The anticipated duration of this consulting engagement will match the vendor's project timeline plus up to two months to include one month for project start-up and one month for project closure. Therefore, the anticipated duration for this engagement will be twenty months. If the duration of the project changes or either party elects to terminate this MOU, a two week written notice is required to close out the project and complete final billing.

**Project Accounting**

Labor will be recorded for this project into the Application Development Division's standard time tracking system on a weekly basis using the following guidelines: 1) Project time will be logged at a detail level, tracking hours by tasks by day; 2) full days of eight hours or more worked at the SANBAG location will reflect the actual hours worked, excluding travel time to/from SANBAG; 3) partial days worked at SANBAG's location, represented by fewer than eight hours per day, will include travel time between SANBAG and ISD; 4) full or partial days logged for this project, which are not performed at SANBAG and do not require travel time to/from SANBAG, will be considered as off-site work and will be logged at the actual hours spent on the project. Off-site project hours may include preapproved overtime, full or partial days worked from ISD and/or telecommuting after obtaining SANBAG's approval. Off-site work will be supported by a separate status report defining the duration and activities performed for that period; 5) working hours not associated with the SANBAG project will be directed toward other ISD projects and logged accordingly; 6) the SANBAG project will be designated as the first priority when compared to other ISD projects for this resource.



**MOU – FMSS Implementation Project  
SANBAG & Information Services Department**

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The project manager will include their direct supervisor at ISD in all email communications with SANBAG and/or vendors that represent key milestones or issues of an urgent manner. As needed, the ISD supervisor may be invited as an optional attendee for on-site meetings/presentations at SANBAG, and will attend as available. This communication is meant to assist the project and not delay progress. In some cases the ISD supervisor may review draft reports and/or make recommendations related to the project, but will not be listed as a required resource for any project activities. The ISD supervisor is not a billable resource, so there will be no impact to the budget for this project. On a monthly basis, the project manager will be asked to complete a short status report to ISD Executive Management regarding the health of the project and major milestones completed. This is a standard practice used on all major projects.

All leave time, including sick, vacation and holiday, have been previously factored into the approved billable rate and will not be charged to this project. Non-project oriented meetings and training conducted at ISD are also factored into the approved rates and will not be charged to this project. Predefined designee(s) from SANBAG will be informed of all planned/unplanned leave time. All County holidays will be observed. Planned leave will be coordinated with the SANBAG designee(s) to minimize impact to the project timeline whenever possible. Previously approved leave dates will be provided to SANBAG on or before the effective date of this MOU for project planning purposes. SANBAG's designee(s) will be notified of any unplanned leave occurrences as soon as possible.

**Miscellaneous Logistics**

For this project the ISD resource will utilize a County issued laptop, email enabled cell phone and VPN access to the County network at no additional cost to SANBAG. As needed, SANBAG will provide the resource with the appropriate level of access to SANBAG's network and business systems related to this project.

SANBAG staff will support the efforts of the project manager by providing access to the appropriate resources required to complete the project. The project manager will escalate any delays that may impact the project timeline to the principle contact, listed in this agreement as the DMS. SANBAG's principle contact will take action to mitigate any project delays.

**Budget for MOU**

The proposed start date for this engagement is September 7, 2008. The anticipated duration of the project is twenty months. The anticipated cost of the ISD resource for project management and professional services for the duration of the project is \$257,400, calculated as follows: 20 months equating to 87 weeks X 30hrs/week X \$85.75/hr + 15% contingency. For FY 08/09 the labor rate is \$85.75/hr. Services will be billed monthly for actual hours worked in the previous month.

Should the rates be adjusted for FY 09/10 an amendment to this MOU will be provided defining the revised rate. Any amendment to this MOU shall be in writing and signed by both parties.

**Agreement to Terms of the MOU**

SANBAG agrees to the terms defined in this MOU, to budget sufficient funding for the expected duration of this consultative engagement and to reimburse ISD on a monthly basis within thirty calendar days of receipt of an invoice.

**MOU – FMSS Implementation Project  
SANBAG & Information Services Department**

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Approved to as to Form for:  
San Bernardino Associated Governments

Approved to as to Form for:  
ISD, County of San Bernardino

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: Jean-Rene Basle

Name: Kevin Norris

Title: SANBAG Counsel

Title: ISD Counsel

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Effective Date: \_\_\_\_\_ (Proposed: September 7, 2008)

Signed: \_\_\_\_\_

Signed: \_\_\_\_\_

Mr. Gary C. Ovitt  
President

Mr. Stephen P. Hall  
Chief Information Officer

San Bernardino Associated Governments

Information Services Department,  
San Bernardino County

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**New Project – SANBAG ERP System Integration Project  
Resume for Ruth von Hatten, Project Leader**

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**Contact Information:**

Ruth von Hatten, Project Leader  
County of San Bernardino  
Information Services Department  
670 E. Gilbert St.  
San Bernardino, CA 92415-0915  
(909) 388-5923 voice (909) 388-5555 fax

**Summary of Qualifications:**

- ☐ 25+ years of progressively responsible programmer/analyst, project leader, team leader, and project manager experience
- ☐ Manage enterprise-level system conversion and integration projects spanning two or more years with budgets of \$3-5M
- ☐ Direct project teams of 30+ matrix staff from internal and external organizations, contractors and vendors; possess excellent leadership and inter-personal skills
- ☐ Report to elected officials, CIO's, department heads, and division chiefs
- ☐ Business process experience includes vendor and contract management, accounting, facilities, health care, land management, manufacturing, capital assets, and other government and private industry lines of business

**Experience:**

**Programmer/Analyst 3 (Project Leader)**  
**May 2002 to Present**

San Bernardino County, Information Services Department  
670 E. Gilbert St. San Bernardino, CA 92415

- ☐ Developed business process, functional, and technical requirements for the Law and Justice EIS project
- ☐ Managed system integration project for the county's enterprise CAFM Project
- ☐ Integrated modules for the Archibus and FMWorks software products; space management, real property and lease management, facilities management, inventory management, condition assessment, ADA assessment, Autocad floorplans
- ☐ Mapped and converted all data from the previous software application
- ☐ Develop and conduct demos and user training
- ☐ Developed, enhanced, and maintained client/server and web applications for CAFM
- ☐ Led project teams for CAFM enhancement projects and additional module integration

**Systems Development Team Leader**  
**January 1999 to April 2002**

San Bernardino County, Information Services Department  
670 E. Gilbert St. San Bernardino, CA 92415

- ☐ Manage ISD work plan of \$3.2M for the County HSS agency
- ☐ Supervise a system development team of 25 programmers / programmer analysts
- ☐ Responsible for mainframe, client/server, and web-enabled systems development
- ☐ Participate in the strategic planning of departmental goals and objectives
- ☐ Establish and audit team procedures to ensure quality project deliverables
- ☐ Recruit, supervise, train, and evaluate staff
- ☐ Develop proposals for new initiatives; manage matrix projects
- ☐ Managed the Land Use Sierra project, resulting in a renewed integration project

**Programmer/Analyst 3 (Project Leader)**  
**October 1997 to December 1998**

San Bernardino County, Information Services Department  
670 E. Gilbert St. San Bernardino, CA 92415

- ☐ Managed project teams for large integrated projects, i.e. Year 2000 and Welfare Reform
- ☐ Developed and maintained HSS mainframe applications
- ☐ Led project teams for mainframe, client/server, and web-enabled applications

**New Project – SANBAG ERP System Integration Project  
Resume for Ruth von Hatten, Project Leader**

**Experience:**  
(continued)

**Programmer/Analyst 2 (Lead Analyst)**  
**April 1996 to September 1997**

San Bernardino County, Information Services Department  
670 E. Gilbert St. San Bernardino, CA 92415

- ☐ Managed project teams for small, medium, and large system development projects
- ☐ Developed and maintained HSS mainframe applications, i.e. ABAWD, work program eligibility and case management; medical, AFDC, food stamps, resource directory

**Programmer/Analyst 4 (Lead analyst)**  
**March 1993 to March 1996**

County of Riverside, Department of Information Technology  
4080 Lemon St. Riverside, CA 92503

- ☐ Designed, developed, constructed, and integrated the first IVR application for the Tax Collector's telephone credit card payment system
- ☐ Developed, enhanced and maintained the Tax Collector's property tax collection system; current taxes, delinquent taxes, supplemental billing, penalties and interest computations, redemptions

**Sr. Engineering Programmer/Analyst**  
**September 1992 to February 1993**

County of Riverside, Transportation and Land Mgmt Agency  
4080 Lemon St. Riverside, CA 92503

- ☐ Supervised computer operations and staff for HP and DEC environments; GIS applications
- ☐ Installed the first GIS hardware and software environment for the county

**Programmer/Analyst 4 (Lead analyst)**  
**September 1989 to August 1992**

County of Riverside, Department of Information Technology  
4080 Lemon St. Riverside, CA 92503

- ☐ Managed the project to replace the welfare cash and food stamp benefit applications; designed, developed, constructed, and integrated the new application; retrospective and prospective budgeting, benefit issuance
- ☐ Led a project team of 20+ IT and welfare staff
- ☐ Enhanced and maintained the Auditor-Controller's financial application system, RIFMIS; fund accounting, A/P, A/R, JV, fund transfers

**Data Processing Coordinator**  
**April 1986 to September 1989**

County of Riverside, Mental Health Department  
4080 Lemon St. Riverside, CA 92503

- ☐ Managed a major system integration project that replaced all existing MH applications with a vendor product (PSP); intake, case management, A/R, peer review
- ☐ Led a project team of 30+ IT and MH staff
- ☐ Supervised MH data entry and IT personnel
- ☐ Chaired the MH IT Steering Committee
- ☐ Served on the state-wide MH software consortium group

**Education:** Awarded Certificate in Business Management, Chaffey College 1992  
Dean's List, Honor Society

**Memberships:** Project Management Institute, Riverside Chapter  
Past member, County Womens' Network, County of San Bernardino, Scholarship & Mentoring Program

**Related Skills:** Proficient in PC software tools, Powerpoint, MS Project, Excel, Access, Visio  
Project Management tools, SDM, Stradis, Spectrum

- San Bernardino County Transportation Commission ■ San Bernardino County Transportation Authority  
■ San Bernardino County Congestion Management Agency ■ Service Authority for Freeway Emergencies

## *Minute Action*

AGENDA ITEM: 8

**Date:** August 13, 2008

**Subject:** Chief Programming Position Reclassification

**Recommendation:\*** Approve reclassification of the Chief of Programming position to Ranges 28 - 32

**Background:** In May 2007 the Board of Directors approved reclassification of positions and salaries as a result of the Executive Director's organizational realignment plan. At that time, two positions were classified to Chief of Planning and Chief of Programming in accordance with program and supervision responsibilities. At that time, a twenty percent salary differential was assigned to the Chief of Planning position (Ranges 28-32) and Chief of Programming positions (Ranges 24-28).

In April of 2008, the SANBAG Chief of Programming resigned her employment and accepted a position with Riverside County Transportation Commission. Recruitment for that position has been on-going since that time without success. Transportation programming is a very specialized field, and it is extremely difficult to recruit experienced personnel with management capabilities. Historically, SANBAG has depended upon on-job-training to develop programming experience and skills within the agency. In this case, SANBAG is in need of an experienced employee with management capabilities.

\*

*Approved*  
*Administrative Committee*

*Date:* \_\_\_\_\_

*Moved:*

*Second:*

*In Favor:*

*Opposed:*

*Abstained:*

*Witnessed:* \_\_\_\_\_

The lack of success in recruitment for this position is believed to be partly associated with an inadequate salary offering within the SANBAG classification structure. Consequently, it is recommended that this position be reclassified from Range 24-28 (\$6,193 - \$9,150 mo.) to Range 28-32 (\$7,527 - \$11,122 mo).

The recommended adjustment would provide equity between the two existing Chief of Planning and Chief of Programming positions within the approved SANBAG Classification Plan. This adjustment will provide more flexibility to SANBAG management in recruiting candidates with transportation programming experience to fill this vacancy.

**Financial Impact:** The salary range of a selected candidate to fill the Chief of Programming position will be based upon the skills and experience of the candidate and cannot be exactly determined at this time. The recommended adjustment can be accommodated within the adopted FY 2008-2009 budget.

**Reviewed By:** This item is recommended for review by the Administrative Committee on August 13, 2008.

**Responsible Staff:** Deborah Robinson Barmack  
Executive Director

- San Bernardino County Transportation Commission ■ San Bernardino County Transportation Authority  
■ San Bernardino County Congestion Management Agency ■ Service Authority for Freeway Emergencies

## *Minute Action*

### AGENDA ITEM: 9

**Date:** August 13, 2008

**Subject:** Southern California Association of Governments Regional Council Membership

**Recommendation:\*** Direct staff to notify the Southern California Association of Governments (SCAG) that SANBAG will discontinue its seat on the SCAG Regional Council.

**Background:** The SCAG bylaws provide for each of the five County Transportation Commissions within the region to be represented on the SCAG Regional Council by a city or a county elected official from its governing board, dependent upon becoming a dues-payment member.

In June 2007, the SANBAG Board voted to exercise its option to become a dues-paying member of SCAG for a one year period to assess the benefits of having an additional voting member on the SCAG Regional Council to represent SANBAG's interests as a County Transportation Commission. This action was part of a strategy to support the efforts of Supervisor Gary Ovitt to improve SCAG's awareness of Inland Empire issues during his presidency. Mayor Paul Leon was appointed to represent SANBAG on the Regional Council, and the City of Ontario agreed to pay the membership dues during 2007.

During the past year, SCAG was successful in re-evaluating its role within the region through the "Force for Change" initiative. Significant management

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*Approved*  
*Administrative Committee*

*Date:* \_\_\_\_\_

*Moved:*

*Second:*

*In Favor:*

*Opposed:*

*Abstained:*

*Witnessed:* \_\_\_\_\_

Administrative Committee Agenda Item

August 13, 2008

Page 2

changes were also implemented during the past year. These changes have resulted in increased recognition of the needs of the Inland Empire and have resulted in more cooperative involvement throughout the region.

The City of Ontario has notified SANBAG that it is not able to continue to fund SANBAG's membership on the Regional Council during the coming year. Although the additional voice on the Regional Council has been beneficial, SANBAG also enjoys very strong participation by a variety of active elected officials representing local governments in San Bernardino County.

San Bernardino County currently has seven city representatives and one County Supervisor serving on the Regional Council. Five of the eight Regional Council members from San Bernardino County are also members of the SANBAG Board of Directors. In addition to the members of the Regional Council mentioned above, SANBAG, acting as a subregional agency, also appoints seven members of the SANBAG Board of Directors to serve on the three SCAG policy committees.

Due to the progress made during the past year and the strong membership at SCAG, staff recommends that SANBAG discontinue membership as a dues paying member of SCAG.

**Financial Impact:** The dues assessment for SANBAG membership at SCAG as a County Transportation Commission is \$25,000 a year. SANBAG has not incurred this cost in the past. If approved, this item would have no financial impact upon the SANBAG budget.

**Reviewed By:** This item is scheduled for review by the Administrative Committee on August 13, 2008.

**Responsible Staff:** Deborah Robinson Barmack  
Executive Director



- San Bernardino County Transportation Commission ■ San Bernardino County Transportation Authority  
■ San Bernardino County Congestion Management Agency ■ Service Authority for Freeway Emergencies

## *Minute Action*

AGENDA ITEM: 10

**Date:** August 13, 2008

**Subject:** California Strategies Contract Extension for State Advocacy Services

**Recommendation:\*** Approve Amendment #2 to contract No. 03-007-02, for a one-year extension, with California Strategies for State Advocacy Services in an amount not to exceed \$55,500.

**Background:** Attached are proposed amendments to extend the contract held with California Strategies, LLC for state advocacy services on behalf of SANBAG.

The original contract for state advocacy services was entered into agreement on October 9, 2002, with a start date of October 1, 2002, for a term of four years; the contract expired on September 30, 2006. This contract was held jointly with the Riverside County Transportation Commission (RCTC) and RCTC reimbursed 50 percent of the contract cost.

In 2006, the Board approved removing RCTC from the contract and extended the contract by two years, ending on September 30, 2008.

According to SANBAG policy, it is customary to open up a competitive bidding process at the end of a contract extension, however, staff recommends extending

\*

*Approved  
Administrative Committee*

*Date:* \_\_\_\_\_

*Moved:* \_\_\_\_\_ *Second:* \_\_\_\_\_

*In Favor:* \_\_\_\_\_ *Opposed:* \_\_\_\_\_ *Abstained:* \_\_\_\_\_

*Witnessed:* \_\_\_\_\_

ADM0808A-JF  
Attachment:  
C030072-JF  
50309000

Administrative Committee Agenda Item

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Page 2

the contract held for state advocacy services for one year, until September 30, 2009. This recommendation is based on the following reasons:

- Items on the board approved legislative work program and board approved directives, such as implementation of Proposition 1B and maximizing state funding, are ongoing and some provisions, such as the State Local Partnership Program, will be carried over into the next legislative session. California Strategies has demonstrated a proven results-driven record to promote the board approved legislative work program.
- Negotiations to implement the state's budget and to protect Proposition 42 funds are at a delicate stage and being able to rely on our current state advocate, opposed to a possible new advocate, is critical to assure protection of that funding source.
- The firm's institutional knowledge of transportation issues deemed important by the SANBAG Board of Directors is unsurpassable. Regular communication with SANBAG staff, specifically with the Director of Intergovernmental and Legislative Affairs has provided advice and insights to the ever-changing nuances of the state's legislative process.

SANBAG staff has confirmed no foreseen changes to the firm's organizational structure in the upcoming legislative session.

**Financial Impact:** The total contract extension amount is for \$55,500.00. The financial impact for FY 2008/2009 is estimated not to exceed \$41,625.00, and is consistent with the FY 2008/2009 SANBAG Budget.

**Reviewed By:** This item is scheduled for review by the Administrative Committee on August 13, 2008, and has also been reviewed by SANBAG Counsel.

**Responsible Staff:** Jennifer Franco, Director of Intergovernmental and Legislative Affairs

**SANBAG Contract No. 03-007-02**

by and between

San Bernardino Associated Governments

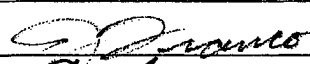
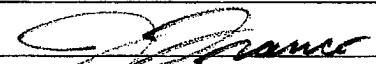

and

California Strategies, LLC

for

State Advocacy Services**FOR ACCOUNTING PURPOSES ONLY**

<input checked="" type="checkbox"/> Payable	Vendor Contract # <u>03-007-01</u>	Retention:	<input type="checkbox"/> Original
<input type="checkbox"/> Receivable	Vendor ID <u>CSLLC</u>	<input type="checkbox"/> Yes ____ % <input type="checkbox"/> No	<input type="checkbox"/> Amendment
Notes:			
Original Contract: \$ <u>426,000</u>	Previous Amendments Total: \$ <u>111,000</u>		
	Previous Amendments Contingency Total: \$ ____		
Contingency Amount: \$ ____	Current Amendment: \$ <u>55,500</u>		
	Current Amendment Contingency: \$ ____		
Contingency Amount requires specific authorization by Task Manager prior to release.			
Contract TOTAL →			\$ <u>592,500</u>
↓ Please include funding allocation for the original contract or the amendment.			
<b>Task</b>	<b>Cost Code</b>	<b>Funding Sources</b>	<b>Grant ID</b>
<u>503E3007</u>	<u>5553</u>	<u>MI Valley Major Project</u>	<u>I300</u>
<u>503E3007</u>	<u>5553</u>	<u>MI Mt./Desert Admin</u>	<u>I100</u>
_____	_____	_____	_____
_____	_____	_____	_____
Original Board Approved Contract Date: <u>10/09/02</u> Contract Start: <u>10/01/02</u> Contract End: <u>9/30/06</u>			
New Amend. Approval (Board) Date: <u>9/03/08</u> Amend. Start: <u>10/01/08</u> Amend. End: <u>9/30/08</u>			
<b>If this is a multi-year contract/amendment, please allocate budget authority among approved budget authority and future fiscal year(s)-unbudgeted obligations:</b>			
<b>Approved Budget Authority →</b>	Fiscal Year: <u>0809</u> \$ <u>41,625</u>	<b>Future Fiscal Year(s) – Unbudgeted Obligation →</b>	\$ <u>13,875</u>
Is this consistent with the adopted budget? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
If yes, which Task includes budget authority? _____			
If no, has the budget amendment been submitted? <input type="checkbox"/> Yes <input type="checkbox"/> No			
<b>CONTRACT MANAGEMENT</b>			
<b>Please mark an "X" next to all that apply:</b>			
<input type="checkbox"/> Intergovernmental	<input checked="" type="checkbox"/> Private	<input checked="" type="checkbox"/> Non-Local	<input type="checkbox"/> Local <input type="checkbox"/> Partly Local
Disadvantaged Business Enterprise: <input type="checkbox"/> No <input type="checkbox"/> Yes ____ %			
Task Manager: <b>Jennifer Franco</b>		Contract Manager: <b>Jennifer Franco</b>	

	<u>8/7/08</u>		<u>8/7/08</u>
Task Manager Signature	Date	Contract Manager Signature	Date
	<u>8/7/08</u>		
Chief Financial Officer Signature	Date		

Filename: C0300702.doc

**AMENDMENT NO. 2**

**TO CONTRACT 03007-02**

**By and Between**

**SAN BERNARDINO ASSOCIATED GOVERNMENTS  
and  
CALIFORNIA STRATEGIES, LLC**

WHEREAS, the San Bernardino Associated Governments, hereinafter referred to as "SANBAG" and California Strategies, LLC (previously Smith, Watts & Co.) referred to herein as "CONTRACTOR," have previously entered into a contract effective October 1, 2002, wherein SANBAG engaged CONTRACTOR to provide state advocacy services; and,

WHEREAS, SANBAG and CONTRACTOR desire to amend the Contract to extend the Contract for two additional years for CONTRACTOR to perform the agreed upon work;

NOW THEREFORE, SANBAG and CONTRACTOR agree to amend the Contract as follows:

1. SECTION VI. Insert the following language after the last sentence:

For services rendered from October 1, 2008 through September 30, 2009, CONTRACTOR shall receive compensation from SANBAG in the sum of \$4,500.00 per month, plus chargeable expenses not to exceed \$1,500.00 annually.

2. SECTION VIII. The first sentence of the first paragraph is amended to read as follows:

The term of this Agreement shall commence on October 1, 2002, and continue through to September 30, 2009, unless terminated in writing by sixty (60) days written notice from one party to the other.

3. All other portions of this Contract shall remain in full force and effect and are incorporated herein by this reference.

**IN WITNESS WHEREOF**, the authorized parties have below signed and executed this Amendment to the Contract, and shall be effective on the date set forth above.

**SAN BERNARDINO ASSOCIATED  
GOVERNMENTS**

**SMITH, WATTS & CO.**

\_\_\_\_\_  
Gary Ovitt  
President

\_\_\_\_\_  
Mark Watts  
Partner

Date \_\_\_\_\_

Date \_\_\_\_\_

REVIEWED AND RECOMMENDED FOR  
APPROVAL

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Deborah Robinson Barmack  
Executive Director

APPROVED AS TO LEGAL FORM

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Jean-Rene Basle, SANBAG Counsel

- San Bernardino County Transportation Commission ■ San Bernardino County Transportation Authority  
■ San Bernardino County Congestion Management Agency ■ Service Authority for Freeway Emergencies

## *Minute Action*

AGENDA ITEM: 11

**Date:** August 13, 2008

**Subject:** Memorandum of Understanding (MOU) for the Administration of Job Access and Reverse Commute (JARC) and New Freedom (NF) Grant Funds.

**Recommendation:\*** Approve in concept the MOU (SANBAG Agreement C09057) between SANBAG and the Southern California Association of Governments (SCAG), Riverside County Transportation Commission (RCTC), Omnitrans, the Riverside Transit Agency (RTA) and the Sunline Transit Agency for the administration of the JARC and NF funds.

**Background:** The Safe, Accountable, Flexible, Efficient Transportation Equity Act: A legacy for Users (SAFETEA-LU) changed the Job Access and Reverse Commute (JARC) grant program from a discretionary to formula grant program and created a new formula grant program known as New Freedom (NF). The two grant programs are administered by the Federal Transit Administration (FTA). Funds for these two grant programs are appropriated annually by Congress and apportioned to designated recipients for urbanized areas over 200,000 population. The Southern California Association of Governments (SCAG) is the designated recipient for the JARC and NF funds that are apportioned to the two urbanized areas within the San Bernardino Valley (Los Angeles-Long Beach- Santa Ana and Riverside – San Bernardino UZAs).

*Approved*  
*Administrative Committee*

*Date:* \_\_\_\_\_

*Moved:*

*Second:*

*In Favor:*

*Opposed:*

*Abstained:*

*Witnessed:* \_\_\_\_\_

SANBAG, acting as the county transportation commission is responsible for the short-term transportation planning and programming of federal transportation funds. Under that role, the SANBAG Board adopted the required Public Transit-Human Services Transportation Coordination Plan for San Bernardino County in January 2008. The development of the coordination plan is a FTA planning requirement that must be completed prior to the award of grants under the JARC and NF programs. In addition, in July 2008 the Board authorized the release of a Call for Projects for applications seeking JARC and NF funds to address the needs identified in the coordination plan as being of critical and very high importance in the San Bernardino and Victor Valleys. Project applications are due by September 22, 2008 with a listing of recommended projects to be funded expected to be presented to the Board in November or December. Grants may be award to state and local governmental bodies, Metropolitan Planning Organizations, Regional Transportation Planning Agencies, social service agencies, tribal governments, private and public transportation operators and non-profit organizations.

Because of the long history Omnitrans has with grant programs administered by the FTA coupled with the requirement that the public transit agencies be involved in the human services transportation coordination process, it is recommended that Omnitrans be the direct grantee for the JARC and NF funds apportioned to the San Bernardino Valley. Entities other than Omnitrans selected for grant awards would become subgrantees under Omnitrans.

The attached MOU (in draft form) has been developed by SCAG with input from RCTC and SANBAG. The MOU provides roles and responsibilities of SCAG, the two county transportation commissions and the public transit operators in the administration of the JARC and NF grant programs. Staff is of the opinion that only minor revisions are necessary in order to have a final MOU document and its attached Program Management Plan ready for Board approval in September.

**Financial Impact:** The item is consistent with the adopted budget. Staff effort for the public transit – human services transportation coordination planning is provided for under Task 31909000 – Social Services Transportation Plan. Staff effort for JARC and NF program management is provided for under Task 50109000 – Federal Transit Act Programming. The funding source for both tasks is LTF – Planning.

**Reviewed By:** This item is scheduled for review by the Administrative Committee on August 13, 2008.

**Responsible Staff:** Michael Bair, Director of Transit and Rail Programs

**SANBAG Contract No. 09057**

by and between

San Bernardino Associated Governments

and

Southern California Association of Governments, Riverside Transportation Commission,  
Omnitrans, Riverside Transit Agency and Sunline Transit Agency

for

the Administration of Job Access Reverse Commute and New Freedom Grant Funds**FOR ACCOUNTING PURPOSES ONLY**

<input type="checkbox"/> Payable	Vendor Contract # _____	Retention:	<input checked="" type="checkbox"/> Original
<input type="checkbox"/> Receivable	Vendor ID _____	<input type="checkbox"/> Yes _____ % <input checked="" type="checkbox"/> No	<input type="checkbox"/> Amendment

Notes: Memorandum of Understanding with no fiscal impact.

Original Contract: \$ 0	Previous Amendments Total: \$ _____
Contingency Amount: \$ _____	Previous Amendments Contingency Total: \$ _____
	Current Amendment: \$ _____
	Current Amendment Contingency: \$ _____

Contingency Amount requires specific authorization by Task Manager prior to release.

**Contract TOTAL → \$ 0**

↓ Please include funding allocation for the original contract or the amendment.

Task	Cost Code	Funding Sources	Grant ID	Amounts
_____	_____	_____	_____	\$ _____
_____	_____	_____	_____	\$ _____
_____	_____	_____	_____	\$ _____
_____	_____	_____	_____	\$ _____

Original Board Approved Contract Date: <u>9/3/08</u>	Contract Start: <u>9/3/08</u>	Contract End: <u>Open</u>
New Amend. Approval (Board) Date: _____	Amend. Start: _____	Amend. End: _____

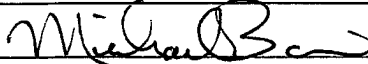
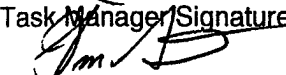
**If this is a multi-year contract/amendment, please allocate budget authority among approved budget authority and future fiscal year(s)-unbudgeted obligations:**

Approved Budget Authority →	Fiscal Year: _____ \$ _____	Future Fiscal Year(s) – Unbudgeted Obligation →	\$ _____
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Is this consistent with the adopted budget? ☒ Yes ☐ No

If yes, which Task includes budget authority? \_\_\_\_\_

If no, has the budget amendment been submitted? ☐ Yes ☐ No**CONTRACT MANAGEMENT****Please mark an "X" next to all that apply:**☒ Intergovernmental ☐ Private ☐ Non-Local ☐ Local ☒ Partly LocalDisadvantaged Business Enterprise: ☒ No ☐ Yes \_\_\_\_\_ %Task Manager: **Michael Bair**Contract Manager: **Michael Bair**

 8-7-08  
Task Manager Signature Date  
 8/7/08

 8-7-08  
Contract Manager Signature Date

Chief Financial Officer Signature Date



**SANBAG AGREEMENT C09057**

**MEMORANDUM OF UNDERSTANDING AMONG THE SOUTHERN CALIFORNIA  
ASSOCIATION OF GOVERNMENTS, RIVERSIDE COUNTY TRANSPORTATION  
COMMISSION, SAN BERNARDINO ASSOCIATED GOVERNMENTS, AND  
GRANTEES FOR THE JARC AND NEW FREEDOM GRANT PROGRAMS**

**RECITALS**

**WHEREAS**, the Southern California Association of Governments (SCAG) is a joint powers agency formed pursuant to Title 1, Division 7, Chapter 5 of the California Government Code (Section 6500 et seq.) and is the Metropolitan Planning Organization (MPO) recognized under 23 U.S.C. 134 and 49 U.S.C. 5303;

**WHEREAS**, SCAG is responsible for developing Regional Transportation Plans and Regional Transportation Improvement Programs pursuant to 49 U.S.C. 5303 et seq., 23 U.S.C. 134 et seq., Cal Gov. Code Section 65080 et seq., Cal. Pub. Util. Code §130300 et seq., and corresponding Federal and State regulations and guidance;

**WHEREAS**, SCAG is the designated recipient of Federal Transit Agency (FTA) Job Access and Reverse Commute (JARC) and New Freedom program funds under 49 USC Sections 5316 and 5317, for the large urbanized areas (UZAs) with populations of 200,000 or more in Riverside and San Bernardino Counties, including Los Angeles-Long Beach-Santa Ana, Riverside-San Bernardino, Indio-Cathedral City-Palm Springs, and Temecula-Murrieta;

**WHEREAS**, Riverside County Transportation Commission (RCTC) is a County Transportation Commission created pursuant to Public Utilities Code Section 130052 and is charged pursuant thereto with approval of all projects within Riverside County utilizing federal and state highway and transit funds and is responsible for transportation programming and short range planning within its jurisdiction;

**WHEREAS**, RCTC is the Regional Transportation Planning Agency (RTPA) for Riverside County, the state counterpart to the federal MPO designation;

**WHEREAS**, San Bernardino Associated Governments (SANBAG) is a County Transportation Commission created pursuant to Public Utilities Code Section 130000 and is charged pursuant thereto for approval of all projects utilizing federal and state highway and transit funds and responsible for transportation planning and short range programming for San Bernardino County;

**WHEREAS**, SANBAG is the Regional Transportation Planning Agency (RTPA) for San Bernardino County, the state counterpart to the federal MPO designation;

**WHEREAS**, the Safe Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) (Pub.L. 109-059; enacted August 10, 2005) changed the JARC program from a discretionary to formula grant programs, created a new formula program known as the New Freedom program and set forth new requirements, under 49 USC Sections 5316 and 5317;

**WHEREAS**, on May 1, 2007, FTA issued new circulars which provide guidance for receiving funds under these programs;

**WHEREAS**, the JARC program is for projects relating to the development and maintenance of transportation services designed to transport welfare recipients and eligible low-income individuals to and from jobs and activities related to their employment, and for public transportation projects designed to transport residents of urbanized areas and nonurbanized areas to suburban employment opportunities (49 USC §5316);

**WHEREAS**, the New Freedom program is for new public transportation services and public transportation alternatives beyond those required by the Americans with Disabilities Act of 1990 (42 USC 12101 et seq.) that assist individuals with disabilities with transportation, including transportation to and from jobs and employment support services (49 USC §5317);

**WHEREAS**, SANBAG and RCTC are the lead agencies in their respective counties responsible for development of a coordinated Public Transit-Human Services Transportation Plan, in accordance with 49 USC Sections 5316 and 5317 and FTA Circulars C 9050.1 and C 9045.1;

**WHEREAS**, on January 9, 2008, SANBAG adopted a Coordinated Public Transit- Human Services Transportation Plan ("SANBAG Coordinated Plan");

**WHEREAS**, on April 11, 2008, RCTC adopted a Coordinated Public Transit- Human Services Transportation Plan ("RCTC Coordinated Plans"); and

**WHEREAS**, SANBAG and RCTC Coordinated Plans were developed in coordination with SCAG and are consistent with the metropolitan planning process; and

**WHEREAS**, Omnitrans, Riverside Transit Agency (RTA), and Sunline Transit Agency (Grantees) will apply for JARC and New Freedom program funds, as Subrecipients.

**NOW, THEREFORE IN CONSIDERATION OF THE MUTUAL PROMISES AND COVENANTS PROVIDED FOR THEREIN, SCAG, RCTC, AND SANBAG HEREBY AGREE AS FOLLOWS:**

## **Section I**

### **PROGRAM MANAGEMENT**

- 1.1 SCAG's Role:** SCAG is an agency with responsibility for comprehensive and coordinated regional transportation planning and programming in the six county SCAG region. In accordance with applicable federal and state law, these responsibilities primarily include but are not limited to preparation and adoption of the Regional Transportation Plan (RTP) and Regional Transportation Improvement Program (RTIP).

SCAG is the designated recipient of Federal Transit Agency (FTA) Job Access and Reverse Commute (JARC) and New Freedom program funds under 49 USC Sections 5316 and 5317 ("Program Funds"), for large urbanized areas (UZAs) with populations of 200,000 or more in Riverside and San Bernardino Counties, including Riverside-San Bernardino, Indio-Cathedral City-Palm Springs, Temecula-Murrieta, and Los Angeles- Long Beach-Santa Ana UZAs.

SCAG is responsible for apportioning the county-level allocations of Program Funds through RCTC and SANBAG, respectively, for UZAs in Riverside and San Bernardino Counties. In administering the Program Funds, SCAG shall further be responsible for the following actions:

- a) Applying for Program Administration Costs using the Transportation Electronic Award and Management (TEAM) System. SCAG shall apply for five percent (5%) of the Program Fund allocations determined for Riverside and San Bernardino Counties from the Federal Fiscal Year (FFY) 2005/2006 apportionments to the Los Angeles-Long Beach-Santa Ana, Riverside-San Bernardino, Indio-Cathedral City-Palm Springs, Temecula-Murrieta, and Los Angeles-Long Beach-Santa Ana UZAs and three percent (3%) of the Program Fund allocations during each subsequent FFY;
- b) Managing Program Funds including determining the apportionment of annual Program Funds for Riverside and San Bernardino counties' portions of the Los Angeles-Long Beach-Santa Ana and Riverside-San Bernardino UZAs as described in the attached Program Management Plan;
- c) Ensure that projects selected for JARC and New Freedom funding and submitted to SCAG by RCTC and SANBAG are programmed in the Regional Transportation Improvement Program (RTIP) submitted to the State for inclusion in the State Transportation Improvement Program (STIP);
- d) Maintain copies of annual Program Fund grant applications;
- e) Contingent upon SANBAG, RCTC, and Grantees fulfilling responsibilities required under this MOU, prepare and submit to FTA a MPO concurrence letter for approval of the Program Funds for each applicant; and
- f) Annually notify FTA of the county-level allocation of Program Funds for each fiscal year and the projects that were competitively selected to receive funding.

## **1.2 Roles of SANBAG and RCTC:**

By signing this Agreement, SANBAG and RCTC agree to comply with the planning and programming responsibilities of 49 USC Sections 5316 and 5317 and FTA Circulars C 9050.1 and C 9045.1 to the same extent as required by SCAG as the designated recipient of JARC and New Freedom Program Funds, for large UZAs

in their respective planning boundaries, and shall submit to SCAG any documentation requested by SCAG to assure the validity of such certification.

SANBAG and RCTC shall be responsible for allocating Program Funds to eligible Grantees in UZAs in their respective counties, and for the following actions:

- a) Developing a county-level coordinated Public Transit-Human Services Transportation Plan and update such plan at least every four (4) years;
- b) Administering and conducting an area-wide Competitive Selection process;
- c) Certifying a fair and equitable distribution of Program Funds resulting from the competitive selection process;
- d) Certifying that each project selected was derived from a locally developed, coordinated Public Transit-Human Services Transportation Plan (local coordination plans);
- e) Certifying that local coordination plans are developed through a process that included representatives of public, private, and non-profit transportation and human services providers and participation by the public;
- f) Prepare, in cooperation with applicant(s), and submit to SCAG an annual Program of Projects (selected projects) for Program Funds; and
- g) Maintain and submit to SCAG within thirty (30) days after the annual distribution of Program Funds, Summary Reports of remaining county balances of Program Funds.
- h) Submitting reports as required by FTA or SCAG.

### **1.3 Roles of Grantees**

By signing this Agreement, the Grantees agree to comply with the requirements of 49 USC Sections 5316 and 5317 and FTA Circulars C 9050.1 and C 9045.1 (FTA Requirements), each as a "Subrecipient" of Program Funds as defined under FTA Requirements.

Grantees shall further be responsible for the following actions:

- a) Provide a copy of all grant applications to SCAG; and
- b) Certify compliance with FTA Requirements for receipt of the funds, and shall submit to SCAG any documentation requested by SCAG to assure the validity of any certifications and assurances made by the Grantee.

#### **1.4 Program Management Plan**

The parties agree to adhere to the Program Management Plan attached hereto and incorporated by reference as "Exhibit A," which includes program objectives, policies, procedures, and administrative requirements pursuant to applicable FTA requirements.

#### **1.5 Annual Certification and Assurances Regarding the JARC and New Freedom Programs:**

By signing this MOU, each Grantee (Subrecipient) agrees to comply with the applicable FTA annual certifications and assurances for the JARC and New Freedom Programs (published annually in the Federal Register), and agrees to forward to SCAG a signed copy of its Certifications and Assurances form each year prior to the time the Grantee receives its grant award.

### **Section 2**

#### **General Provisions**

- 2.1 Term of Agreement: This Agreement shall be effective as to each party on the date such party executes this Agreement, and continues in full force unless a party withdraws from this Agreement or this Agreement is terminated in accordance with Section 2.7.
- 2.2 Drafting: This Agreement has been prepared by all parties and has been reviewed and endorsed by each.
- 2.3 Amendments: This Agreement may be amended only by the execution by all parties of a written amendment.
- 2.4 Jurisdiction and Venue: This Agreement shall be deemed an Agreement under the laws of the State of California and for all purposes shall be interpreted in accordance with such laws. All parties hereby agree and consent to the exclusive jurisdiction of the courts of the State of California and that the venue of any action brought hereunder shall be in Los Angeles County, California.
- 2.5 Non-assignment. No party may assign this Agreement, or any part thereof, without the written consent of each party to this Agreement.
- 2.6 Indemnity. RCTC, SANBAG, and each Grantee agree to indemnify, defend and hold harmless SCAG and its respective officers, agents and employees from and against any and all claims, demands, costs, or liability arising from or connected with intentional or negligent acts, errors or omissions, or any violations of law (including non-compliance with Certifications and Assurances contained herein) attributable only to performance of the responsibilities as set forth in this MOU by the indemnifying party (Indemnitor) or its officers, agents, employees, contractors

and subcontractors under this MOU, except to the extent caused by the negligence or willful misconduct of SCAG.

**2.7 Withdrawal and Termination.**

- a. Any party may withdraw from this Agreement upon thirty (30) days written notice to each party, providing that the notice of withdrawal sets forth the effective date of withdrawal and the reason for withdrawal. Additionally, the notice of withdrawal shall provide that the parties during the period prior to the effective date of withdrawal meet to try to resolve any dispute, if applicable. In the event that the withdrawal is for cause, the withdrawal shall not be effective if the party cures the default in its performance within the thirty day period.
- b. SCAG shall notify FTA of the withdrawal from this Agreement of any Applicant, and shall not be obligated to administer JARC or New Freedom Grant Funds.
- c. SCAG may terminate this Agreement at any time upon thirty (30) days written notice to each party, providing that the notice of termination sets forth the effective date of termination.

**2.8 Notice.** Any notice or notices required or permitted to be given pursuant to this Agreement may be personally served on the other party by the party giving such notice, or may be served by certified mail, return receipt requested, to the names and addresses as follows:

**Hasan Ikhata, Executive Director  
SCAG  
818 West 7<sup>th</sup> Street  
Los Angeles, CA 90017**

**Anne Mayer, Executive Director  
RCTC  
4800 Lemon Street, 3rd Floor  
P.O. Box 12008  
Riverside, CA 92502-2208**

**Deborah Robinson Barmack, Executive Director  
SANBAG  
1170 W. 3rd Street, 2nd Floor  
San Bernardino, CA 92410-1715**

**Durand Rall, General Manager  
Omnitrans  
1700 W Fifth St  
San Bernardino, CA 92411**

**Larry Rubio, General Manager  
Riverside Transit Agency  
1825 3rd St  
Riverside, CA 92507**

**Mikel Oglesby  
General Manager  
SunLine Transit Agency  
32-505 Harry Oliver Trail  
Thousand Palms, CA 92276**

- 2.9 Counterparts. This Agreement may be executed in counterparts, each of which shall be an original, but all of which shall constitute one instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives on the dates set forth below.

The Southern California Association of Governments

By: \_\_\_\_\_  
Hasan Ikhata  
Executive Director

Date: \_\_\_\_\_

Approved as to Form:

\_\_\_\_\_  
Joseph Burton  
Chief Counsel/Director of Legal Services

Date: \_\_\_\_\_

Riverside County Transportation Commission

By: \_\_\_\_\_  
Executive Director

Date: \_\_\_\_\_

Approved as to Form:

\_\_\_\_\_

Date: \_\_\_\_\_

San Bernardino Associated Governments

By: \_\_\_\_\_  
Deborah Robinson Barmack  
Executive Director

Date: \_\_\_\_\_

Approved as to Form:

\_\_\_\_\_

Date: \_\_\_\_\_



Omnitrans

By: \_\_\_\_\_  
Durand Rall  
General Manager

Date: \_\_\_\_\_

Riverside Transit Agency (RTA)

By: \_\_\_\_\_  
Larry Rubio  
General Manager

Date: \_\_\_\_\_

Sunline Transit Agency

By: \_\_\_\_\_  
Mikel Oglesby  
General Manager

Date: \_\_\_\_\_

## **PROGRAM MANAGEMENT PLAN (PMP) FOR JARC AND NEW FREEDOM (NF) FUNDS**

### **Background and Overview**

SCAG is the designated recipient eligible to apply for the Federal Transit Administration (FTA) Job Access Reverse Commute (JARC) program and New Freedom (NF) grant funds (Program Funds), pursuant to 49 USC Sections 5316 and 5317, for the following large urbanized areas (UZAs) in Riverside and San Bernardino Counties:

- \*Riverside-San Bernardino
- \*Indio-Cathedral City- Palm Springs
- \*Temecula-Murrieta
- \*Los Angeles-Long Beach-Santa Ana

This Program Management Plan (PMP) documents and describes SCAG's program objectives, roles and responsibilities, policies, procedures, and administrative requirements, in a form readily accessible to potential local subrecipients, SCAG staff, FTA, and the public, in accordance with 49 USC Sections 5316 and 5317 and the FTAs Circulars 9050.1 and 9045.1 (FTA Requirements). The Program Funds will be administered in accordance with the FTA Requirements and terms and conditions of the Memorandum of Understanding between SCAG, SANBAG, RCTC, and Grantees for the JARC and New Freedom Grant Programs ("MOU Regarding the JARC and New Freedom Grant Programs.")

This plan essentially serves as a guide to the annual project selection and monitoring process. A copy of this plan will be filed with FTA Region 9 office, and also with the California Department of Transportation (Caltrans) District 8 office.

### **Program Purpose and Goals**

The JARC (§5316) grant program is intended to fund the development and maintenance of transportation services designed to transport welfare recipients and eligible low-income individuals to and from jobs, and activities related to their employment.

FTA has defined the goal of the New Freedom (§5317) program, in *FTA Circular 9045.1*: "to provide additional tools to overcome existing barriers facing Americans with disabilities seeking integration into the workforce and full participation in society. The New Freedom formula grant program seeks to expand the transportation mobility options available to persons with disabilities beyond the requirement of the Americans with Disabilities Act of 1990." Toward this goal, FTA provides financial assistance for transportation services planned, designed, and carried out to meet the transportation needs of individuals with disabilities. The §5317 program will be administered towards

the goals and objectives of the applicable local *Coordinated Public Transportation-Human Services Transportation Plans*.

### **Roles and Responsibilities**

SCAG is the administrative entity that oversees all MPO, long range transportation planning and programming functions. RCTC and SANBAG perform short-range transportation planning and programming for their respective counties.

RCTC and SANBAG currently lead development and coordination of the region's public and human service transportation initiatives, with the goal of helping to improve or enhance transportation services for residents in the Riverside and San Bernardino metropolitan areas, who are in need of transportation services such as elderly, physically or mentally disabled, school-aged children or transit-dependent through a better coordinated transportation plan

SANBAG and RCTC are the lead agencies in their respective counties responsible for development of a coordinated Public Transit-Human Services Transportation Plan.

RCTC and SANBAG will take the lead role on all aspects of administering and conducting county wide, competitive selection process in their respective counties in accordance with FTA Requirements, including, but not limited to:

- Notifying eligible local entities of funding availability and performing other outreach activities
- Developing selection criteria
- Determining applicant eligibility
- Selecting projects for funding that are derived from the coordinated Public Transit-Human Services Transportation Plan
- Ensuring that selected projects are included in county transportation commissions' transportation plans and programs
- Submitting of Program of Projects (selected projects) to SCAG for inclusion in the Transportation Improvement Program (TIP) and State Transportation Improvement Program (STIP), and for inclusion in the Grant Applications
- Providing summary reports to SCAG
- Other roles and responsibilities set forth in the MOU Regarding the JARC and New Freedom Grant Programs.

Additionally, by October 15<sup>th</sup> of each year, RCTC and SANBAG will provide annual Program of Projects Status Reports, so that SCAG may meet the October 31<sup>st</sup> deadline to submit such status reports to FTA.

Grantees will be responsible for:

- \*Providing copies of grant applications to SCAG
- \*Submitting projects to the county transportation commissions
- \*Complying with terms and conditions of the Program Funds grant requirements
- \*Other roles and responsibilities set forth in the MOU Regarding the JARC and New Freedom Grant Programs

As the Designated Recipient of Program Funds, SCAG will be responsible for:

- \*Receiving and apportioning county-level allocations of Program Funds for UZAs in Riverside and San Bernardino Counties.
- \*Applying for Program Administration Costs using the Transportation Electronic Award and Management (TEAM) System.
- \*Managing Program Funds
- \*Ensuring that projects selected for JARC and New Freedom funding and submitted to SCAG by RCTC and SANBAG are programmed in the Regional Transportation Improvement Program (RTIP) submitted to the State for inclusion in the State Transportation Improvement Program (STIP)
- \*Maintaining copies of annual Program Fund grant applications
- \*Contingent upon SANBAG, RCTC, and Grantees fulfilling responsibilities required under this MOU, preparing and submitting to FTA a MPO concurrence letter for approval of the Program Funds for each applicant
- \*Annually notifying FTA of the county-level allocation of Program Funds for each fiscal year and the projects that were competitively selected to receive funding

### **Allocation Methodology**

SCAG will apportion county-level allocations of Program Funds for UZAs in Riverside and San Bernardino Counties using a methodology consistent with the methodology used for the FTA Section 5307 program funds (Large Urbanized Area Formula Grant Program).

SCAG will split allocations to counties serving portions of Los Angeles-Long-Beach-Santa Ana and Riverside-San Bernardino UZAs, using consistent methodology as used for the FTA Section 5307 Program

The parties will commence discussions on an alternate methodology to be effective for FY 2008/09 Program Fund applications. Upon agreement of an alternate methodology, an amendment to the MOU Regarding the JARC and New Freedom Grant Programs must be fully executed by all parties.

## **Coordination**

RCTC and SANBAG draw upon a technical subcommittee to assist in the development of a variety of materials, including the development and update of the *Coordinated Human Services Transportation Plan and* project evaluation criteria. Their processes have been defined within their respective coordination plans and have been included in the appendix to this Project Management Plan.

## **Eligible Subrecipients**

There are three categories of eligible sub-recipients of JARC and New Freedom funds:

- Private non-profit organizations. A non-profit organization is a corporation or association determined by the Secretary of the Treasury to be an organization described by 26 U.S.C. 501(c) which is exempt from taxation under 26 U.S.C. 501(a) or one which has been determined under State law to be non-profit and for which the urbanized area designated recipient has received documentation certifying the status of the non-profit organization;
- State or local governmental authority; and
- Operators of public transportation services, including private operators of public transportation services

Only transportation-related programs that fall within the Metropolitan Planning Area would qualify for funding. As noted above, the funds are open to all state or local government's authorities; private non-profit organizations; and operators of public transportation services including private operators of public transportation services.

## **Project Selection Criteria and Method of Distributing Funds**

Refer to Human Services Coordination Plans of RCTC and SANBAG.

- San Bernardino County Transportation Commission ■ San Bernardino County Transportation Authority  
■ San Bernardino County Congestion Management Agency ■ Service Authority for Freeway Emergencies

*Minute Action*

AGENDA ITEM: 12

**Date:** August 13, 2008

**Subject:** Amendment to Memorandum of Understanding (MOU) with the City of Upland

- Recommendation:**\*
1. Approve Amendment No. 4 to the MOU (SANBAG Agreement 03-041), with the City of Upland relating to the restoration of the historic Santa Fe Depot and Lemon Grower's Building and the demolition of an industrial building in the vicinity of the Upland Metrolink Station, increasing the amount required for the Lemon Grower's Building renovation by \$1,000,000 for a new not to exceed total of \$2,100,000; extending the estimated completion date to January 31, 2009, and increasing SANBAG's financial contribution by \$500,000 for a new total of \$1,796,125; and
  2. Approve Amendment to Budget Task 37909000 – Commuter Rail Capital, increasing the budget authority by \$500,000 for a new total of \$3,183,200 as identified in the Financial Impact Section.

**Background:** In January 2003 the Board, acting as the County Transportation Authority, approved MOU (Agreement 03-041) with the City of Upland. The MOU provided a general outline of the cooperative efforts both parties would pursue for the future use of three structures located on property acquired by the Authority and in the vicinity of the Upland Metrolink Station.

\*

*Approved  
Administrative Committee*

*Date:* \_\_\_\_\_

*Moved:*

*Second:*

*In Favor:*

*Opposed:*

*Abstained:*

*Witnessed:* \_\_\_\_\_

In August 2004 the Board approved Amendment No. 1 to the MOU. The amendment established a mutually agreed upon course of action for each of the structures. The intent being to complete the restoration of the historic Santa Fe Depot and Lemon Grower's Building and the demolition of an industrial building in order to make room for additional Metrolink parking. The amendment provided a very preliminary estimate of cost that would be equally shared by the Authority and City and designated the City as the lead agency. The Authority's initial financial contribution was \$481,250.

Amendment No. 2 was approved by the Board in October 2005. This amendment increased the amount of funding required for the renovation of the historic depot to \$1,000,000. It also acknowledged the completion of the industrial building demolition. Along with savings recognized from the demolition project that would be applied to the depot renovation, an additional \$189,875 was required from the Authority.

The Board approved Amendment No. 3 in October 2006. This amendment dealt with the renovation of the Lemon Grower's Building for use as office space. The City had completed plan and specifications for the work. The estimated cost, including hazardous material removal was \$1,100,000. In addition, the amendment included the Authority's funding for architectural fees. The amendment increased the Authority's financial contribution by \$625,000.

In May 2007 the City awarded a contract for the renovation of the Lemon Grower's Building for just over \$1,400,000 and approved a budget of \$1,600,000; an increase of \$500,000 over the amount provided in Amendment 3. Renovation work commenced shortly thereafter. Through the renovation process additional change orders have increased the project cost to more than \$1,500,000.

In November 2007 the owners of Saffron's approached the City for possible locations of a new restaurant. The Lemon Grower's Building was looked upon favorably. The change in use (from office to restaurant) has required additional changes to the plans and specifications as well as additional construction cost. The estimated increase, including the increase in the renovation budget and conversion of use to a restaurant, is not expected to exceed \$1,000,000 and would bring the total budget for the Lemon Grower's Building to \$2,100,000. The Authority's share of the increase is \$500,000. This amount will increase the total Authority financial contribution under the MOU to a new total of \$1,796,125.

The attached Amendment No. 4 provides for the additional funding and extends the building renovation completion date to January 31, 2009.

When this item was presented to the Commuter Rail Committee on July 17, 2008, staff reported that, due to the economic downturn, Saffron was not willing to enter into a lease agreement. The Commuter Rail Committee members expressed concern over investing additional funds for the conversion of use without a pending tenant and questioned the rate of return on the investment and whether the City would be willing to increase their investment in the building renovation in exchange for sharing a larger portion of the future lease revenue. SANBAG staff expressed concern over the delay of three months that would result from the continuance.

Staff from SANBAG and the City met on July 28<sup>th</sup> to discuss the issues raised by the Commuter Rail Committee. While it would be less of a risk to invest in the change from office to restaurant use if there were a tenant ready to sign a lease, it is the belief of both staff that the conversion of use is still in the best interest of both agencies. This is especially true when consideration is given to the types of mixed use development the City is encouraging for its downtown and Metrolink station environ. In addition, SANBAG staff does not believe that it would be appropriate to change the cost and revenue sharing arrangement for this one building when all other agreements we've entered into are consistent with the recommendation.

The City has retained Tierra West Advisors, a real estate development consulting firm, to analyze and comment on the proposed change in use. The City staff has been invited to attend the Administrative Committee and present the consultant's findings.

SANBAG staff has notified the Commuter Rail Committee members that this item is being presented to the Administrative Committee and invited their attendance if they so desire. We have also shared this item with them.

***Financial Impact:***

This item is not consistent with the adopted budget. An amendment to Budget Task 37909000 – Commuter Rail Capital increasing the budget authority by \$500,000 for a new total of \$3,183,200 is required. The revenue will be provided from Rail Asset Fund.



Admin. Agenda Item  
August 13, 2008  
Page 4

***Reviewed By:*** This item is scheduled for review by the Administrative Committee on August 13, 2008. As noted above, this item was reviewed by the Commuter Rail Committee on July 17, 2008 and the Committee voted to continue the item to its next meeting (September 18, 2008).

***Responsible Staff:*** Michael Bair, Director of Transit and Rail Programs

**SANBAG Contract No. 03-041-4**

by and between

San Bernardino Associated Governments

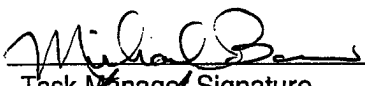

and

City of Upland

for

**Memorandum of Understanding for the Development and Use of Three Buildings Located on the  
Non-Operating Portion of the Upland Metrolink Station Grounds**

<b>FOR ACCOUNTING PURPOSES ONLY</b>			
<input checked="" type="checkbox"/> Payable <input type="checkbox"/> Receivable	Vendor Contract # _____	Retention: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Original <input checked="" type="checkbox"/> Amendment
Notes:			
Original Contract: \$ <u>437,500</u>		Previous Amendments Total: \$ <u>858,625</u>	
Contingency Amount: \$ <u>0</u>		Current Amendment: \$ <u>500,000</u>	
Contingency Amount requires specific authorization by Task Manager prior to release.			
Contract TOTAL →			\$ <u>1,796,125</u>
Please include funding allocation for the original contract or the amendment			
<b>Task</b>	<b>Cost Code</b>	<b>Funding Sources</b>	<b>Amounts</b>
1 <u>37909000</u>	<u>5011</u>	1 <u>Rail Asset</u>	\$ <u>500,000</u>
2 _____	_____	2 _____	\$ _____
3 _____	_____	3 _____	\$ _____
4 _____	_____	4 _____	\$ _____
Original Board Approved Contract Date: <u>1/8/03</u>		Contract Start: <u>1/8/03</u>	Contract End: <u>Open</u>
New Amend. Approval (Board) Date: <u>9/3/08</u>		Amend. Start: <u>9/3/08</u>	Amend. End: <u>Open</u>
<b>If this is a multi-year contract/amendment, please allocate costs among fiscal years:</b>			
Fiscal Year: <u>08/09</u> \$ <u>500,000</u>	Fiscal Year: _____ \$ _____	Fiscal Year: _____ \$ _____	
Is this consistent with the adopted budget? Yes <input checked="" type="checkbox"/> No			
If no, has the budget amendment been submitted? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
<b>CONTRACT MANAGEMENT</b>			
<b>Please mark an "X" next to all that apply:</b>			
X Intergovernmental <input type="checkbox"/> Private <input type="checkbox"/> Non-Local    X Local <input type="checkbox"/> Partly Local			
Disadvantaged Business Enterprise: X No <input type="checkbox"/> Yes _____%			
Task Manager: Michael Bair		Contract Manager: Michael Bair	

 8-7-08  
Task Manager Signature      Date  
 8/7/08  
Chief Financial Officer Signature      Date

 8-7-08  
Contract Manager Signature      Date

**AMENDMENT NUMBER 4 TO  
CONTRACT 03-041 BETWEEN THE  
SAN BERNARDINO ASSOCIATED GOVERNMENTS/SAN BERNARDINO  
COUNTY TRANSPORTATION AUTHORITY (AUTHORITY)  
AND THE CITY OF UPLAND**

**THIS AMENDMENT NUMBER 4** to Agreement 03-041 is hereby made and entered into and effective this 2nd day of August, 2008, by and between the SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY (herein after referred to as "AUTHORITY") and the City of Upland (hereinafter referred to as "CITY"), with regard to the rehabilitation of the historic Santa Fe Depot and Lemon Grower's Building and the demolition of the industrial building located on property acquired by the AUTHORITY and in the vicinity of the Upland Metrolink Station.

**WHEREAS**, AUTHORITY and CITY entered into a Memorandum of Understanding (MOU), AUTHORITY Agreement 03-041 in January 2003 that provided a general outline of the cooperative efforts both parties would pursue for the future use of three structures located on property acquired by AUTHORITY and in the vicinity of the Upland Metrolink Station; and

**WHEREAS**, AUTHORITY and CITY approved Amendment Number 1 to the MOU in August 2004 that established a mutually agreed upon course of action for the rehabilitation of the historic Santa Fe Depot and Lemon Grower's Building and the demolition of the industrial building to make space for additional parking at the Upland Metrolink Station; and

**WHEREAS**, Amendment Number 1 of the MOU provided a preliminary budget for the rehabilitation of the historic Santa Fe Depot and Lemon Grower's Building and demolition of the industrial building which the AUTHORITY and CITY agreed to share equally; and

**WHEREAS**, Amendment Number 1 of the MOU also designated the CITY as the lead agency for the rehabilitation and demolition work; and

**WHEREAS**, AUTHORITY and CITY approved Amendment Number 2 to the MOU in October 2005 that increased the amount required for the renovation of the historic Santa Fe Depot to \$1,000,000, extended the estimated completion date to March 2006 and increased the AUTHORITY's financial contribution by \$189,875 for a new total of \$671,125; and

**WHEREAS**, CITY has completed the demolition of the industrial building and the renovation of the historic Santa Fe Depot and has retained, with AUTHORITY'S concurrence, an architectural firm to prepared plans, specifications and estimates for the rehabilitation of the Lemon Grower's Building; and

**WHEREAS, AUTHORITY and CITY approved Amendment Number 3 to the MOU in October 2006 increasing the amount required for the renovation, including the removal of hazardous materials, of the historic Lemon Grower's Building to \$1,100,000; requiring additional funding from both the AUTHORITY and CITY in the amount of \$550,000 each and extending the estimated completion date to July 2007; and**

**WHEREAS, the MOU, as previously amended, did not specifically address the sharing of cost (\$150,000) for the architect's development of plans and specifications for the rehabilitation of the historic Santa Fe Depot and Lemon Grower's Building and both parties desired to correct this oversight in Amendment Number 3 thus increasing the Authority's financial contribution by \$625,000 for a new total of \$1,296,125; and**

**WHEREAS, AUTHORITY and CITY now desire to make adjustments to the plans, specifications for and construction costs of the Lemon Growers' Building renovation to accommodate a change in use from office to restaurant and extend the estimated date for renovation project completion.**

**NOW THEREFORE, the Parties hereto agree that AUTHORITY Amendment 03-041 is amended as set forth below:**

**Section 3. 392 East "A" Street is amended to increase the estimated cost and extend the estimated date of completion as follows:**

- |                                      |                         |
|--------------------------------------|-------------------------|
| <b>A. Estimated project cost:</b>    | <b>\$2,100,000</b>      |
| <b>B. Estimated completion date:</b> | <b>January 31, 2009</b> |

**Section 4. Appropriation Prerequisite is amended with the following:**

**The Parties hereby agree to equally share the addition expenses incurred by the architectural firm for the development of plans and specifications as well as construction costs for the rehabilitation of Lemon Grower's Building in an amount not to exceed \$1,000,000.**

**The governing boards of the Parties shall, if not previously approved, appropriate as part of their fiscal year 2008/2009 budget, their respective equal share of the additional estimated architectural fees for the development of plans and specifications for the rehabilitation of the historic Lemon Grower's Building and of the additional estimated cost for the rehabilitation of the Lemon Grower's Building.**

**All other terms and conditions contained in AUTHORITY Agreement 03-041 as previously amended shall remain in full force and effect.**

IN WITNESS THEREOF, the authorized Parties have signed below;

**SAN BERNARDINO COUNTY  
TRANSPORTATION AUTHORITY**

**CITY OF UPLAND**

\_\_\_\_\_  
Gary C. Ovitt  
President

\_\_\_\_\_  
Robb Quincey  
City Manager

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**Approved as to Form:**

**Approved as to Form:**

By: \_\_\_\_\_  
Jean-Rene Basle  
Legal Counsel

By: \_\_\_\_\_  
City Attorney

- San Bernardino County Transportation Commission ■ San Bernardino County Transportation Authority  
■ San Bernardino County Congestion Management Agency ■ Service Authority for Freeway Emergencies

## *Minute Action*

AGENDA ITEM: 13

**Date:** August 13, 2008

**Subject:** Transportation Development Act Triennial Performance Audits

**Recommendation:\*** Authorize the release of Request for Proposal 09-056 for conducting the Transportation Development Act Triennial Performance audit of the San Bernardino County Transportation Commission and the following transit operators/claimants: Cities of Barstow, Needles, Morongo Basin Transit Authority, Mountain Area Transit Authority, Omnitrans and Victor Valley Transit Authority.

**Background:** The Transportation Development Act, Section 99246 of the Public Utilities Code requires that SANBAG, acting as the County Transportation Commission, designate an entity other than itself, to make a performance audit every three years of its activities and the activities of each transit operator to whom it allocates funds. The last performance audits covered the period of Fiscal Years 2003-2005.

As with past practice, the transit performance audits will include all transit operators and claimants. The six systems to be audited are: The Cities of Barstow and Needles, Morongo Basin Transit Authority, Mountain Area Regional Transit Authority, Omnitrans and Victor Valley Transit Authority.

*Approved*  
*Administrative Committee*

*Date:* \_\_\_\_\_

*Moved:*

*Second:*

*In Favor:*

*Opposed:*

*Abstained:*

*Witnessed:* \_\_\_\_\_

The transit performance audits will be conducted in two phases, the first phase focusing on the mandatory review of five specific performance indicators, over the past three year period (Fiscal Year 2006 through 2008), a general review of the functional areas of each system's operation, and an analysis of the system's implementation of recommendation for the prior performance audit. Also included in the first phase is the identification of peer systems for Omnitrans that can be used for comparative purposes. Should there be issues identified during the first phase functional review, there may be additional work authorized as a second phase of a system's audit.

The audit of the commission will focus principally on its responsibilities while administering the Transportation Development Act funds.

Attached is the Request for Proposal 09-056 for conducting the triennial performance audit of the six transit operators/claimants. The budget for the commission audit is \$18,000. Of the remaining \$119,550 for the transit systems audits, \$42,000 is expected to be retained for possible phase two work.

**Financial Impact:** This item is consistent with the adopted budget. The work effort and funding is contained in Task 050209000 – TDA Administration. The funding source is Local Transportation Fund Administration.

**Reviewed By:** This item is scheduled for review by the Administrative Committee on August 13, 2008.

**Responsible Staff:** Michael Bair, Director of Transit and Rail  
Beth Kranda, Transit Analyst

# **REQUEST FOR PROPOSAL**

**RFP 09-056**

## **Triennial Performance Audits**

**of the**

**San Bernardino County Transportation Commission,**

**The Cities of Barstow and Needles,**

**Morongo Basin Transit Authority,**

**Mountain Area Regional Transit Authority,**

**Omnitrans and**

**Victor Valley Transit Authority**



## **PROPOSAL EVALUATION AND SELECTION**

A transit audit proposal review panel made up of representatives from the transit operators being audited in this project and SABAG staff will evaluate the proposals and determine the necessity for oral interviews. The SANBAG audit proposal will be reviewed by staff that will then determine if oral interviews are required. At the oral interviews, proposers will be requested to make a formal presentation. The panel/staff will recommend one consultant from those interviewed for the audit. SANBAG reserves the right to select a consultant based solely on the written proposal and not convene oral interviews

The evaluation criteria that will be used in the selection process are as follows:

- Understanding of the purpose and requirement of the audits
- Approach to be followed and the tasks to be performed, including detailed steps and resources required and proposed project schedule
- Relative allocation of resources, in terms of quality and quantity, to key tasks, including the time and skills of personnel assigned to the task and the consultant's approach to managing resources and project output
- Experience in county transportation commission functions (as required by the TDA), public and specialized transit operations, performance auditing and the issues and functional area(s) to be analyzed and
- Education and specific experience of the project team to be assigned.

## **PROPOSAL CONTENT AND ORGANIZATION**

Proposals should be limited to specific discussions of the elements outlined in this RFP. The intent of this RFP is to encourage responses which meet the stated requirements and which propose the best methods to accomplish the work within the stated budget. SANBAG has budgeted \$137,550 for the commission and the transit operators/claimant performance audit work. Of the \$137,550, \$18,000 is budgeted for the Commission Audit. It is SANBAG's intent to set aside a substantial portion of the transit performance audit budget for Phase II work.

### **1. Transmittal Letter**

The transmittal letter should include the name, title, address, and phone number and original signature of an individual with authority to negotiate on behalf of and to contractually bind the proposer and who may be contacted during the period of proposal evaluation. One transmittal letter need be prepared to accompany all sets of copies of the Technical and Cost Proposals.

### **2. Table of Contents**

A listing of the major sections in the proposal and the associated page numbers

### **3. Introduction**

In this section, the Proposer should demonstrate an adequate understanding of the roles and relationships of SANBAG, the operator, and local conditions.

### **4. Audit Plan and Technical Approach**

The audit plan should include:

- a. A description of the overall audit program being submitted, including an explanation of the basic purpose and general focus of the commission and transit audit.
- b. An explanation of the consultants intended role as auditor, as related to the role of SANBAG and the operator, including the division of work between SANBAG staff, if any, and the consultant.
- c. A thorough explanation of the consultants proposed course of action. References should be made to RFP requirements and the consultant's plans for meeting those requirements. If the consultant proposes major changes in the RFP approach, those changes should be specified clearly. The consultant should specify techniques, especially data elements to be sampled, staff to be interviewed, documents to be reviewed, etc.
- d. An itemized description of the proposed project schedule, and the end products to be produced.

### **5. Project Management**

The proposer must prepare an explanation of the project management system and practices to be used to assure that the project is completed within the scheduled time frame and that the quality of the required products will meet SANBAGs requirements.

### **6. Consultant and Subcontractor Staff**

The proposal must describe the qualifications and experience of each professional who will participate in the project, including a brief resume for each member of the project team. A Project Manager must be designated, and an organizational chart showing the manager and all project staff must be included. A matrix must be presented indicating the effort, in man hours, which will be contributed by each professional, during each phase or task making up the project. If a subcontractor will be used, the proposer must include a letter from the subcontractor committing to perform at least the work shown for subcontractor professionals in the above described matrix.

## **7. Consultant Qualifications and References**

The proposal must describe the nature and outcome of projects previously conducted by the consultant that are related to the work described within this RFP. Descriptions should include a client contact name, address, phone number, a description of the type of work performed, approximate date on which the work was completed, and professional staff who performed the work. If a subcontractor is proposed, two to three similar qualifications and reference should be provided for the subcontractor.

## **8. Cost Proposal**

In addition to a technical proposal, the prospective contractor shall prepare a detailed cost proposal for the work to be performed. The cost proposal shall itemize all items that will be charged to SANBAG, including travel charges that will be involve in the project and included in the bid amount. Costs shall be segregated to show staff hours, rates, and classifications, and administrative overhead.

If subcontractors are to be used, the prospective contractor must indicate any markup that the prospective contractor plans to take on subcontracts. The same breakdown of subcontract costs shall be provided as is required for contractor costs above.

Failure to provide detailed cost breakdowns will be cause for rejection of proposal.

## **PAYMENT SCHEDULE**

The consultant will be paid based on work actually performed during the preceding month. The consultant should forward a copy of all invoices for payment for work performed and associated expenses by the 15<sup>th</sup> day of the following month. Each invoice shall be accompanied with a brief description of work performed and identify any problems incurred. SANBAG will withhold ten percent (10%) of the payments due until the successful completion of the project and the delivery and acceptance of all final products.

# **SAN BERNARDINO COUNTY TRANSIT OPERATOR PERFORMANCE AUDIT SCOPE OF WORK**

## **I. BACKGROUND**

The San Bernardino Associated Governments/County Transportation Commission (SANBAG) is required by Section 99246 of the California Public Utilities code to designate an entity to conduct a performance audit of the transit operators in San Bernardino County receiving Local Transportation Funds (LTF) under Article 4. At its discretion, SANBAG is including three transit claimants receiving LTF under Article 8c in the scope of the work. The performance audits must be completed and submitted to the State by July 1, 2009. The audit will cover fiscal years 2005-2006, 2006-2007 and 2007-2008.

The performance audit will evaluate and make recommendations to improve efficiency, effectiveness, and economy of each transit operation. The audit shall be conducted in accordance with the efficiency, economy, and program results portion of the comptrollers "Standards for Audit of Government Organization, Programs, Activities and functions". The transit operators/claimants to be audited are:

1. City of Barstow
2. City of Needles
3. Morongo Basin Transit Authority
4. Mountain Area Regional Transit Authority
5. Omnitrans
6. Victor Valley Transit Authority

A profile of each operation is included in Attachment 1.

## **II. AUDIT APPROACH AND SCOPE OF WORK**

### **A. Phase I Audit Approach**

The performance audit is a diagnostic review of overall operations and performance in the major functional areas of the transit system and is comprised of three steps:

1. Analysis of the five TDA indicators (Public Utilities Code Section 99246(d) for each of the three fiscal years. Additional functional area performance indicators, such as those shown in Figure 1 may be included for larger operators.
2. Review of documents including, but not limited to the system goals and objectives, annual budgets, financial statements, transit plans, and prior performance audits.
3. Interview with management staff in each major functional area. Part of this interview process will address the implementation of prior performance audit recommendations.

## **B. Phase I Audit Deliverables**

Upon completion of the above three steps, the consultant will prepare a management letter for each operator to include the following:

1. Findings regarding performance compared with goals and objectives.
2. Finding regarding implementation of prior performance audit recommendations.
3. Verification of at a minimum, the five TDA Indicators
4. Verification that the public transit operator is not precluded by its labor agreement from employing part time operators or contracting with common carriers.
5. Recommendations, including estimated cost and benefits, for improving performance. Such recommendations may include, where further analysis is indicated the following functional areas:

- Governing body role
- Management and organization
- Transportation/Operations
- Maintenance
- Service Planning
- Budgeting and financial planning
- Management reporting
- Grants Management
- Purchasing
- Marketing and public relations
- Personnel management
- Risk analysis, claims and insurance
- Contract Operations

The preparation of the management letter is expected to constitute the entire audit for the cities of Barstow and Needles, Morongo Basin Transit Authority and the Mountain Area Regional Transit Authority. The management letter for Omnitrans and Victor Valley Transit Authority may constitute the entire audit and if not, shall include recommendations for additional functional audit work.

The consultant will provide SANBAG one bound copy and one unbound copy and each operator one bound copy of the draft management letter for each operator. After review, the consultant will provide to SANBAG thirty-five bound copies and one unbound copy of the final management letters. If additional work is required, the management letter for Omnitrans and of Victor Valley Transit Authority shall identify and address the extent of functional audit work recommended estimated costs and expected benefits.

Any additional functional audit work will be conducted at the discretion of SANBAG and may be accomplished only by the written direction of SANBAG.

**C. Phase I Presentation of Reports**

With respect to the final management letter for the operators, the consultant will be requested to make a presentation to each operators governing body, the SANBAG Administrative Committee and Board.

**III. SCHEDULE**

September 4, 2008	SANBAG issues RFP
October 2, 2008	Proposals due to SANBAG (by 5:00pm)
December 3, 2008	SANBAG selects consultant(s), Contract executed, work commences
April 3, 2009	Draft management letters submitted
April 17, 2009	Final management letters
May 4, 2009	Presentation of audit to Barstow city Council
May 6, 2009	Presentation of audit to Omnitrans Board
May 12, 2009	Presentation of audit to Needles City Council
May 18, 2009	Presentation of audit to Victor Valley Transit Authority Board
May 18, 2009	Presentation of audit to Mountain Area Regional Transit Authority board
May 20, 2009	Presentation of audits to SANBAG Planning and Programming Committee
May 21, 2009	Presentation of audit to Morongo Basin Transit Authority
June 3, 2009	SANBAG Board Presentation (all audits)

**Figure 1**  
**Sample List of Functional Area**  
**Performance Indicators**

**A. Systemwide**

1. Vehicle service miles per employee pay hour
2. Operating cost per vehicle service mile
3. Ratio of passenger fares to total operating cost (no exclusions)
4. Average passenger fare

**B. Transportation**

1. Vehicle service hours per operator pay hour
2. Transportation cost per service vehicle mile
3. Transportation cost per vehicle service hour
4. Percentage of on time trips
5. Average vehicle operator wage
6. Ratio of vehicle operator absentee hours to total vehicle operator pay hours
7. Vehicle operator turnover rate
8. Ratio of vehicle operator overtime hours to total vehicle operator pay hours
9. Accident per vehicle service mile

**C. Maintenance**

1. Total maintenance cost per vehicle service mile
2. Total maintenance cost per vehicle service hour
3. Average vehicle miles between mechanical failures
4. Maintenance pay hours per vehicle service mile
5. Maintenance pay hours per vehicle service hour

**D. Service Planning**

1. Revenue service hours per operator pay hour
2. Revenue service mile per vehicle service mile
3. Complaints per 1,000 passengers

**E. Administrative**

1. Ratio of active to budgeted expenditures
2. Average claim settlement

## **ATTACHMENT 1**

### **Summary of Operations, Recent Achievements and Current Concerns San Bernardino County Transit Operator Performance Audit Fiscal Years 2006 – 2008**

#### **1. City of Barstow**

Under a Memorandum of Understanding with San Bernardino County, the City of Barstow administers the contracts for three transit systems – Barstow Area Transit, Big River Transit and Trona Transit Systems. Barstow Area Transit consists of five fixed routes along with demand response service for seniors and persons with disabilities; route deviation service is operated from the city to the adjacent unincorporated communities. Operations and maintenance is provided by a contract operator, MV Transportation. Big River Transit and Trona Transit provide volunteer transit services for seniors and persons with disabilities. During FY 2008 Barstow Area Transit transported 239,362 passengers while providing 51,825 revenue hours of service. Total operating expenses were \$2,308,596 while passenger revenue was \$244,023. A Comprehensive Operational Analysis of the system is estimated to be complete with service improvements to be implemented in FY 2009.

#### **2. City of Needles**

Needles Area Transit is a route deviation service which operates within the incorporated city and is operated through a private contractor, McDonald Transit. The City also contracts for demand response system for seniors and persons with disabilities with the Needles Senior Center. During FY 2008 Needles Area Transit carried 39,512 passengers while operating 4,186 revenue service hours. Operating expenses totaled \$253,328 while passenger fares were \$36,108.

#### **3. Morongo Basin Transit Authority**

MBTA was formed as a Joint Powers Authority (JPA) between the Town of Yucca Valley, City of Twentynine Palms and the County of San Bernardino. MBTA operates deviated fixed route and general public demand response as well as intercity service into the Palm Springs Area. During FY 2008 MBTA carried 346,666 passengers while providing 31,902 revenue vehicle hours. Operating expenses totaled \$1,959,757 and passenger fares equaled \$357,188.

#### **4. Mountain Area Regional Transit Authority**

MARTA was formed as a Joint Powers Authority between the City of Big Bear Lake and San Bernardino County. MARTA Operates a fixed route system in both the Big Bear area and the Crestline area and a general dial a ride as well as intercity service from Big Bear Lake, Lake Arrowhead and Crestline into the City of San Bernardino. During FY 2008 this operation carried 166,518 passengers while providing 30,629 revenue service hours. Operating expenses totaled \$2,256,483 while passenger fares were \$234,213.



## **5. Omnitrans**

Omnitrans is a Joint Powers Authority comprising of representatives from 16 cities and the County Board of Supervisors. Omnitrans directly operates fixed routes service in the San Bernardino Valley and contracts with First Transit to provide ADA complementary paratransit service for seniors and persons with disabilities. During 2008 Omnitrans carried 14,826,501 passengers while providing 792,386 revenue service hours. Operating expenses totaled \$64,468,772 while passenger fares totaled \$13,800,081. Omnitrans did some restructuring and approved a fare increase during FY 2008 and over the past few years continues to lose ridership.

## **6. Victor Valley Transit Authority**

VVTA is a Joint Powers Authority between the Cities of Adelanto, Apple Valley, Hesperia, Victorville and the County of San Bernardino. VVTA Administration is provided through contract services with McDonald Transit while both operations and maintenance service is contracted through Veolia Transportation. VVTA operates both fixed route, general public deviated services as well as dial a ride service for seniors and persons with disabilities. During 2008 VVTA carried 1,123,207 passengers while providing 123,088 revenue service hours. Operating expenses totaled \$7,993,297 while passenger fares totaled \$1,327,778. VVTA continues to expand service miles and hours providing decreased headways and had a general fare increase during FY 2008.

# **SAN BERNARDINO COUNTY TRANSIT OPERATOR PERFORMANCE AUDIT SCOPE OF WORK**

## **I. BACKGROUND**

Pursuant to Section 99246 of the California Public Utilities Code, SANBAG is required to designate an entity to conduct a performance audit of its functions as related to the Transportation Development Act. The period covered included fiscal year 2005/2006, 2006/2007, and 2007/2008. The audit must be complete by July 2009.

The performance audit shall focus on two broad categories of responsibility that of compliance to perform certain planning and administrative duties, and that of reviewing and evaluating claims submitted under the TDA.

## **II. AUDIT APPROACH AND SCOPE OF WORK**

Specific tasks to include in the audit are as follows:

1. Assess compliance with respect to apportionment and allocation of Local Transportation Funds and State Transit Assistance Funds, short-range transit plans and programming, productivity oversight of transit service and reporting responsibilities.
2. Review implementation of prior audit recommendations.
3. Assess compliance with respect to review of transit claimants.
4. Prepare management letter and if needed, recommendations for improvements.

## **III. SCHEDULE**

September 4, 2008	SANBAG issues RFP
October 2, 2008	Proposals due to SANBAG (by 5:00pm)
December 3, 2008	SANBAG selects consultant(s), Contract executed, work commences
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June 3, 2009	SANBAG Board Presentation (all audits)

AB	Assembly Bill
ACE	Alameda Corridor East
ACT	Association for Commuter Transportation
ADA	Americans with Disabilities Act
APTA	American Public Transportation Association
AQMP	Air Quality Management Plan
ATMIS	Advanced Transportation Management Information Systems
BAT	Barstow Area Transit
CAC	Call Answering Center
CALACT	California Association for Coordination Transportation
CALCOG	California Association of Councils of Governments
CALSAFE	California Committee for Service Authorities for Freeway Emergencies
CALTRANS	California Department of Transportation
CARB	California Air Resources Board
CEQA	California Environmental Quality Act
CHP	California Highway Patrol
CMAQ	Congestion Mitigation and Air Quality
CMP	Congestion Management Program
CNG	Compressed Natural Gas
COG	Council of Governments
CSAC	California State Association of Counties
CTA	California Transit Association
CTAA	Community Transportation Association of America
CTC	California Transportation Commission
CTC	County Transportation Commission
CTP	Comprehensive Transportation Plan
DMO	Data Management Office
DOT	Department of Transportation
E&H	Elderly and Handicapped
EIR	Environmental Impact Report
EIS	Environmental Impact Statement
EPA	United States Environmental Protection Agency
ETC	Employee Transportation Coordinator
FEIS	Final Environmental Impact Statement
FHWA	Federal Highway Administration
FSP	Freeway Service Patrol
FTA	Federal Transit Administration
FTIP	Federal Transportation Improvement Program
GFOA	Government Finance Officers Association
GIS	Geographic Information Systems
HOV	High-Occupancy Vehicle
ICMA	International City/County Management Association
ICTC	Interstate Clean Transportation Corridor
IEEP	Inland Empire Economic Partnership
ISTEA	Intermodal Surface Transportation Efficiency Act of 1991
IIP/ITIP	Interregional Transportation Improvement Program
ITS	Intelligent Transportation Systems
IVDA	Inland Valley Development Agency
JARC	Job Access Reverse Commute
LACMTA	Los Angeles County Metropolitan Transportation Authority
LNG	Liquefied Natural Gas
LTF	Local Transportation Funds
MAGLEV	Magnetic Levitation
MARTA	Mountain Area Regional Transportation Authority
MBTA	Morongo Basin Transit Authority
MDAB	Mojave Desert Air Basin
MDAQMD	Mojave Desert Air Quality Management District
MIS	Major Investment Study
MOU	Memorandum of Understanding

MPO	Metropolitan Planning Organization
MSRC	Mobile Source Air Pollution Reduction Review Committee
MTP	Metropolitan Transportation Plan
NAT	Needles Area Transit
OA	Obligation Authority
OCTA	Orange County Transportation Authority
OWP	Overall Work Program
PA&ED	Project Approval and Environmental Document
PASTACC	Public and Specialized Transportation Advisory and Coordinating Council
PDT	Project Development Team
PPM	Planning, Programming and Monitoring Funds
PSR	Project Study Report
PTA	Public Transportation Account
PVEA	Petroleum Violation Escrow Account
RCTC	Riverside County Transportation Commission
RDA	Redevelopment Agency
RFP	Request for Proposal
RIP	Regional Improvement Program
ROD	Record of Decision
RTAC	Regional Transportation Agencies' Coalition
RTIP	Regional Transportation Improvement Program
RTP	Regional Transportation Plan
RTPA	Regional Transportation Planning Agencies
SB	Senate Bill
SAFE	Service Authority for Freeway Emergencies
SANBAG	San Bernardino Associated Governments
SCAB	South Coast Air Basin
SCAG	Southern California Association of Governments
SCAQMD	South Coast Air Quality Management District
SCRRA	Southern California Regional Rail Authority
SED	Socioeconomic Data
SHA	State Highway Account
SHOPP	State Highway Operations and Protection Program
SOV	Single-Occupant Vehicle
SRTP	Short Range Transit Plan
STAF	State Transit Assistance Funds
STIP	State Transportation Improvement Program
STP	Surface Transportation Program
TAC	Technical Advisory Committee
TCM	Transportation Control Measure
TCRP	Traffic Congestion Relief Program
TDA	Transportation Development Act
TEA	Transportation Enhancement Activities
TEA-21	Transportation Equity Act for the 21 <sup>st</sup> Century
TIA	Traffic Impact Analysis
TMC	Transportation Management Center
TMEE	Traffic Management and Environmental Enhancement
TOC	Traffic Operations Center
TOPRS	Transit Operator Performance Reporting System
TSM	Transportation Systems Management
USFWS	United States Fish and Wildlife Service
UZAs	Urbanized Areas
VCTC	Ventura County Transportation Commission
VTA	Victor Valley Transit Authority
WRCOG	Western Riverside Council of Governments

# ***San Bernardino Associated Governments***



## **MISSION STATEMENT**

To enhance the quality of life for all residents, San Bernardino Associated Governments (SANBAG) will:

- Improve cooperative regional planning
- Develop an accessible, efficient, multi-modal transportation system
- Strengthen economic development efforts
- Exert leadership in creative problem solving

To successfully accomplish this mission, SANBAG will foster enhanced relationships among all of its stakeholders while adding to the value of local governments.

Approved June 2, 1993  
Reaffirmed March 6, 1996